

Daily Report

East Asia

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Pacific Forum Examines French Nuclear Issue

LD0308100695 Melbourne Radio Australia in English 0800 GMT 3 Aug 95

[FBIS Transcribed Text] South Pacific Forum countries are discussing whether to end France's status as a dialogue partner because of its decision to resume nuclear testing. The Forum's deputy secretary general, David Blackstock, said in Suva that the consultations had been initiated by Australia, which is current chairman of the 15-nation grouping.

Mr. Blackstock said a key role in the exchange of views is being played by Papua New Guinea, which will take over from Australia at the Forum's annual meeting to be held in Madang on 14 and 15 September. Dialogue sessions between Forum members and dialogue countries are to be held in Port Moresby on 17 and 18 September.

Mr. Blackstock said a decision on France's status as a dialogue partner is expected by tomorrow. He said an announcement would most likely be made by Australia after talks with France. The deputy secretary general added that there were some differences among Forum countries on the nuclear testing issue but it was hoped that a consensus would be reached.

Singapore Minister on ASEAN's Leadership Role

BK0508115995 Singapore THE STRAITS TIMES in English 4 Aug 95 p 1

[By Lee Kim Chew in Bandar Seri Begawan]

[FBIS Transcribed Text] Asean must stay in the driver's seat and take control of its own destiny or risk being overtaken by rapidly changing events, Foreign Minister S. Jayakumar said here yesterday.

Summing up his views on the ministerial meetings here over the past 12 days, he said Asean had to do this to remain a pivotal force.

He cited the fledgling 19-member Asean Regional Forum (ARF) as an example.

"It was really based on an Asean concept paper. Asean hammered out the essential elements," he said, referring to the grouping's efforts to engage the big powers in a dialogue to underpin regional security.

Another of example of Asean leadership was the proposed summit of Asian and European leaders in Thailand next year.

"Now that it is going to take place, everyone acknowledges that it was Asean which initiated it and they give credit to Asean," he told Singapore reporters in a press briefing.

"Apart from it being an Asean initiative, Asean had played an important role in the discussions with European partners in fleshing out the details of the meeting, the agenda, the format, the participation and so on."

Asean had to take the initiative or lose the leadership role by default.

With Vietnam's membership, and Laos, Cambodia as well as Myanmar [Burma] waiting in the wings to join Asean, the grouping had expanded faster than expected, he said.

This meant the reality of Asean-10 embracing all the Southeast Asian countries would happen sooner rather than later. This spelled new opportunities and challenges, he said.

An expanded Asean, with 500 million people, would be better positioned to negotiate with other regions, particularly in economic cooperation.

"The challenge really wi!! be how this larger grouping can stay nimble and agile to be able to respond quickly to fast-changing events in political and security matters."

He said the new entrants must have a clear understanding of what membership entailed, and they must also imbibe the Asean corporate culture.

"Over the years, one of the strengths of Asean has been to make decisions in a certain tradition of give-and-take. This tradition has stood us well over time in tackling very difficult issues. It is important that as we expand, we maintain this Asean tradition."

A bigger Asean with members at different levels of economic development meant that adjustments would have to be made, he added.

As for the ARF, it ought to move at that was comfortable to all its members. He was pleased that the forum now had a work programme to keep it going.

He said discussions in the ARF on Tuesday were candid, and the participants, among them the United States, China, Russia and Japan, talked about tension in the South China Sen and the Korean peninsula, and nuclear testing.

It was significant that the ARF provided a forum for the big powers to discuss these sensitive issues without acrimony, he noted.

"If this spirit prevails, the ARF will become more and more focused in future."

How it would develop further depended on the comfort level of the participants, and it was important to understand what the ARF was, he stressed. It was neither a United Nations passing resolutions nor a judicial tribunal pronouncing on the rights and wrongs of an issue. Nor was it merely a social club.

In his view, the ARF must grapple with key security problems to be meaningful and effective.

"It must be able to discuss candidly the issues which are of real concern to the people. You cannot duck the issues. This year's ARF showed that they were not ducking the issues," he said.

The two-day post-ministerial conferences ended yesterday with a meeting between the Asean countries and New Zealand, one of their seven dialogue partners. The others are Australia, Canada, Japan, South Korea, the European Union and the US.

Philippines' Ramos Supports APEC Summit

OW0408142995 Tokyo KYODO in English 1414 GMT 4 Aug 95

[FBIS Transcribed Text] Manila, Aug. 4 KYODO — President Fidel Ramos pledged Manila's all-out support Friday [4 August] for Japan's bid to make a success of an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November, the Japanese trade minister said.

Ramos' pledge follows a similar promise made by Indonesian President Suharto the day before.

Ryutaro Hashimoto, Japan's minister of international trade and industry, said at a news conference that "significant results" had been achieved at his talks with Ramos earlier in the day.

Hashimoto also said this means that the role Japan has to play as a host of the forthcoming APEC gathering has become bigger now that what he called a "troika setup" has been established by the three host countries of the 1994, 1995 and 1996 APEC meetings — Indonesia, Japan and the Philippines.

He stressed the need for the Japanese Government and private sector to step up cooperation in order to bring success at the Osaka gathering.

Ramos was quoted as telling Hashimoto that the Philippines intends to give priority to incubating smaller businesses and personnel, and protecting the environment.

He requested that these issues be taken up at the Osaka meeting, according to Hashimoto, who arrived here earlier in the day as a special envoy of Japanese Prime Minister Tomiichi Murayama to explain Tokyo's stance on the APEC meeting.

ROK Minister Urges 2d Round of EAEC Talks BK0508103295 Bangkok THE NATION in English

5 Aug 95 p A3

[Report by Kunlachada Chaphiphat]

[FBIS Transcribed Text] Bandar Seri Begawan — South Korean Foreign Minister Kong No-myong has proposed to his Asean counterparts that "track two" consultations on the East Asian Economic Caucus (EAEC) be established to mobilize ideas on how the EAEC should be launched, an informed source said.

The proposal would bring together government and nongovernment officials, including academics and economists, to work out the concept and format of the caucus in order to reassure other countries which have objections to the official launching of the forum.

Kong No-myong was speaking at a press conference on Tuesday at the end of the two-day Post Ministerial Meeting (PMC) between Asean foreign ministers and their seven dialogue partners here.

Kong No-myong said South Korea had no objections to the EAEC, but sees a need for Asean and other prospective members to obtain a wider consensus among members of the Asia Pacific Economic Cooperation (Apec).

South Korea, China and Japan are among the dynamic East Asian countries being courted to join the Asean-centred EAEC, first floated in 1991 by Malaysia as an economic bloc to counter the failure of the Uruguay Round of multilateral negotiations. Asean leaders in 1992 adopted the EAEC as a caucus within Apec but failed to get the support of the United States.

Japan's biggest trading partner, the United States opposed the creation of the group for fear that it would become an anti-US force within Apec, where the US is a key player. China, also an Apec member, supported the caucus.

Controversy over how to launch the caucus has hogged the limelight at the Asean foreign ministers' meeting with their Japanese counterpart. Japan attended the meeting as one of seven Asean dialogue countries. The others are the European Union, Canada, the United States, Australia, New Zealand and South Korea.

Japan resisted joining the caucus without the inclusion of Australia and New Zealand in the group, which will be made up of East Asian and Asean countries. Malaysia is still pushing for the forum and was disappointed with Japan's inertia.

Asean foreign ministers have assigned Thailand, the present Asean coordinator for Japan, to explain Asean's position on the EAEC.

Japan

Hayashi Comments on DPRK, Talks, U.S. Ties

OW0708115195 Tokyo SANKEI SHIMBUN in Japanese 5 Aug 95 Morning Edition p 3

[Interview with Administrative Vice Foreign Minister Sadayuki Hayashi by unidentified SANKEI SHIMBUN correspondent; place and date not given; first paragraph is SANKEI SHIMBUN introduction]

[FBIS Translated Text] Sadayuki Hayashi, who assumed the post of administrative vice foreign minister on 4 August, granted an interview to a SANKEI SHIMBUN reporter. In the interview, he expresses his strong enthusiasm for an early resumption of the stalled talks between Japan and North Korea on normalizing relations.

[SANKEI SHIMBUN] What are the prospects for a resumption of the stalled normalization talks between Japan and North Korea?

[Hayashi] A delegation of the ruling parties and North Korean officials agreed to resume the stalled normalization talks when the delegation visited Pyongyang. There has been no word from North Korea about when and where to resume the suspended talks. I am not in a position to comment on the reason for the delay in their response, but my perception is that the normalization of relations between Tokyo and Pyongyang is extremely important for peace and stability in the Northeast Asia region.

[SANKEI SHIMBUN] How are you going to deal with post-war issues, including the issue of comfort women?

[Hayashi] I understand that both Tokyo and Pyongyang must resolve those postwar issues before normalizing their relations.

[SANKEI SHIMBUN] What do you think of nuclear tests by China and France?

[Hayashi] Japan's position is that all nuclear tests must stop. I intend to do my utmost to submit to the UN General Assembly a resolution calling for a ban on those nuclear tests and to advocate it in bilateral talks with China and France. I believe that this issue should not undermine our friendly bilateral relations with the two countries. Commenting on a campaign to boycott French products, Chief Cabinet Secretary Kozo Igarashi said, "The government has no intention of waging such a campaign."

[SANKEI SHIMBUN] How will Japan respond if France conducts nuclear tests?

[Hayashi] I will consult with other government officials when France conducts its planned nuclear tests. Right now, I cannot comment.

[SANKEI SHIMBUN] How are you going to deal with the issue of allowing Taiwanese leaders to attend the Osaka meetings of the Asia-Pacific Economic Cooperation (APEC) forum?

[Hayashi] As for permitting Taiwanese leaders to attend the APEC meetings, we will follow the precedent set in the 1993 APEC meetings in Seattle and the 1994 APEC meetings in Bogor.

[SANKEI SHIMBUN] President Clinton will visit Japan in November. Will the President confer with the prime minister about Japan-U.S. security?

[Hayashi] The visit to Japan by the President is a crucial event in Japan-U.S. relations. Both Tokyo and Washington have been discussing how to build a new bilateral security relationship. Working-level talks will be held between the two countries; and in September, ministers in charge of security and foreign affairs in the two countries will hold talks. President Clinton and the Japanese prime minister will hold summit talks with an agenda mapped out in a series of bilateral talks held prior to the summit. The shaky international regime built following the end of the Cold War is affecting Japan-U.S. relations. The summit will be an important opportunity for the leaders of Japan and the United States to look for areas of agreement on redefining their relations. It is extremely important that the leaders of the two countries share the same view on security. Japan-U.S. security has two aspects: the safety of Japan and the peace of the Far East.

[SANKEI SHIMBUN] The government has prohibited Japanese businesses from investing in the four northern islands, but foreign investment is being made in those islands. What is your comment?

[Hayashi] I do not think the foreign investment in those islands will leave no room for Japanese enterprises to invest when the islands are returned to Japan. The four islands belong to Japan, and any Japanese investment there under Russian law is tantamount to recognizing the islands as Russian territory. The Japanese Government cannot allow Japanese firms to make any investment in the islands.

[SANKEI SHIMBUN] Are you contemplating creating a new framework for Japan-U.S. economic relations?

[Hayashi] Both Japan and the United States have focused on individual talks to discuss ways to defuse frictions between them in the course of bilateral talks. Until now, the two countries have had no forum where they hold policy dialogue on global economic and tradissues. The two countries should establish such a forum somehow.

Tokyo To Push for Antinuclear UN Resolution OW0608072495 Tokyo KYODO in English 0622 GMT 6 Aug 95

[FBIS Transcribed Text] Hiroshima, Aug. 6 KYODO
— Prime Minister Tomiichi Murayama said Sunday [6
August] Japan will push for a resolution calling for a
ban on all nuclear tests at the UN General Assembly
this fall.

Showing determination to stand firm against nuclear testing after attending a ceremony marking the 50th anniversary of the atomic bombing in Hiroshima, Murayama said nuclear testing by China and tests planned by France beginning next month are "regrettable."

"With the resolutions in the two houses of the Diet, I want to make a stronger request (at the United Nations)," Murayama told a press conference.

The House of Representatives and the House of Councillors separately adopted on Aug. 4 resolutions opposing nuclear weapons testing by China and France.

Opposition to nuclear testing has been expressed on previous occasions by Japan, which suffered atomic bombing in August 1945.

China conducted its latest nuclear test in May, while France announced in June it would conduct a series of nuclear tests in the South Pacific from September through May.

Japan is considering submitting a U.N. resolution calling for a ban on all nuclear tests and is seeking support of other countries for the resolution.

Murayama brushed aside criticism that the Japanese Government has been slow to respond to recent Chinese and French actions in this area.

"(The government) quickly asked China to suspend nuclear testing, and has taken every opportunity to try to persuade France not to resume (nuclear testing)," Murayama said.

Murayama also said Japan will do its utmost to conclude negotiations on the comprehensive test ban treaty as soon as possible.

League Formed To Protest French Nuclear Tests OW0708131695 Tokyo KYODO in English 1205 GMT 7 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — Finance Minister Masayoshi Takemura and 22 other legislators opposing France's plans to resume nuclear testing in the Pacific in September formed a special all-party Diet league Monday [7 August].

Some 20 league members will go to Tahiti and participate in a Sept. 2 demonstration against the tests and five will join legislators from other nations on board a ship that will sail to the west Pacific to protest the underground tests at Mururoa Atoll.

Takemura, who also heads New Party Sakigake [Harbinger], a ruling coalition party, said, "the idea of diligently refining and expanding nuclear weapons has brought us into a situation that threatens the survival of humankind."

Takemura had said during a stomping tour for last month's House of Councillors election that he would participate in the protest on the ship.

The 23 participants, which includes members from the two coalition partners, the Liberal Democratic Party and the Social Democratic Party as well as the major opposition Shinshinto (New Frontier Party) and the Japanese Communist Party, also adopted a statement urging the French Government to rescind its decision to resume nuclear testing.

Tokyo, Beijing S&T Meeting Slated 10 Aug OW0808094595 Tokyo KYODO in English 0918 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Japan and China will hold a bilateral meeting to discuss cooperation in the science and technology [S&T] fields Thursday [10 August] and Friday in Beijing, the Foreign Ministry said Tuesday.

Japanese and Chinese officials will review the two countries' cooperation in the science and technology spheres and study areas for possible cooperation in the future, the ministry said.

The two countries set up a bilateral committee on cooperation in the field of science and technology under an accord signed in 1980.

Japanese Minister to China Koreshige Anami will head the Japanese delegation, consisting of officials from the Foreign Ministry, the Science and Technology Agency, the Education Ministry, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of International Trade and Industry, it said.

The Chinese side will be led by Huang Shouzeng, deputy director of the department of international cooperation in science and technology of the State Science and Technology Commission.

Economic Recovery Said New Cabinet's Priority

OW0808125495 Tokyo KYODO in English 1232 GMT 8 Aug 95

[FBIS Transcribed Text] TOKYO, Aug. 8 Kyodo — The reshuffled cabinet of Prime Minister Tomiichi Murayama will seek to achieve an early economic recovery as its top priority issue, government officials said Tuesday [8 August].

To demonstrate its resolve to put an end to Japan's prolonged economic downturn, the new Murayama cabinet has appointed a noted private economist as its chief economic planner, they said.

With Isamu Miyazaki, head of the Daiwa Institute of Research, serving as director general of the Economic Planning Agency, the cabinet plans to work out an additional pump-priming measures in September, the officials said.

The third package for fiscal 1995 will include public works spending worth 1 trillion to 2 trillion yen with the aim of keeping alive the momentum created by the front-loading of government investments for fiscal 1995 that started in April, the officials said.

In addition, the new package is expected to address the need to use public funds to deal with the problem of nonperforming loans, the officials said. In particular, the government intends to promote measures to deal with housing loan companies suffering from bad loans totaling 6 trillion yen.

Pump-Priming Measures by New Cabinet Urged

OW0808130995 Tokyo NHK General Television Network in Japanese 1020 GMT 8 Aug 95

[Announcer-read report over video — from the "News 7" program]

[FBIS Translated Text] The following are the reactions of business leaders to the inauguration of the new cabinet.

[Begin recording] [Shoichiro Toyoda, chairman of Keidanren — the Federation of Economic Organizations of Japan] Business circles are suffering from a prolonged recession, and I would like to ask the new administration to do its best to stimulate the economy. As I have been saying, the government has to hammer out such pump-priming measures as tax reduction, deregulation, and an early enactment of the second 1995 supplementary budget. We hope the government will steadily take such actions. [end recording]

President Kosaku Inaba of the Japan Chamber of Commerce and Industry said: Stimulation of the economy should be defined as the primary task for the new cabinet. We would like to ask the government to try its best to support smaller businesses and to assist the efforts of financial institutes in liquidating bad credits.

President Jiro Nemoto of Nikkeiren [the Japan Federation of Employers' Associations] said: If the situation is left untouched, Japan may face a serious economic crisis by the end of the year. To manage the critical situation, the government should take prompt action to remedy skyrocketing yen rates and other urgent problems.

Survey: Business Confidence Continues To Weaken OW0708112795 Tokyo KYODO in English 1043 GMT 7 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — The high yen further weakened Japanese corporate confidence in the three morths through June, dashing improved sentiment among manufacturers and keeping that of nonmanufacturers weak, the government said Monday [7 August].

A survey by the Ministry of International Trade and Industry (MITI) found companies reporting deterioration outnumbering those seeing improvement for the second straight month.

Pessimistic manufacturers predominated after three quarters in which most cited improvement, while bearish nonmanufacturers were in the majority for the third straight quarter, MITI said.

Only the pulp and paper industry improved markedly, while the transportation, general equipment and metals industries showed pronounced deterioration, said a researcher at MITI's industrial policy bureau.

The June 20 survey of 465 companies yielded a diffusion index — the difference between the percent seeing improvement over the previous quarter and that reporting deterioration — of minus 9.3, worse than the previous quarter's minus 4.2.

The firms' forecasts for the July-September quarter improved to minus 3.3, but the MITI official was cautious, noting that the April-June results were well below the forecast reading of 7.0.

The index for manufacturers sank to minus 13.5 from 0.9 the previous quarter, far below the forecast of 10.7. Nonmanufacturers logged their third straight dismal quarter at minus 3.3, which was up from minus 11.4 but missed the forecast of 1.7.

Sales worsened, with the all-company sales index falling to minus 16.5 from 2.6, with manufacturers sliding to minus 20.8 from 13.6 and nonmanufacturers little changed at minus 10.3 from minus 13.1. Manufacturers and nonmanufacturers both fell below their own predictions of positive readings for the April-June quarter.

EPA: Economic Recovery Still at 'Standstill' OW0808001595 Tokyo KYODO in English 2358 GMT 7 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Japan's economic recovery is still at a standstill under a crosscurrent of positive and negative indicators, the Economic Planning Agency (EPA) said in its monthly report released Tuesday [8 August].

Positive signs are the recent weakening in the yen's value against the dollar and a pickup in stock prices, the report said.

Negative factors, however, are declining housing starts and a further weakening in business confidence, it said.

The agency's assessment remains largely unchanged from its judgment in July when it virtually withdrew its 10-month-long declaration that the economy was "recovering moderately."

An agency official downplayed the seriousness of the current state of the economy, saying, "the economy is on a plateau at present, and the Economic Planning Agency has determined that it still has energy to climb."

If the government's new pump-priming package, announced June 27, and the recent move by the Bank of Japan to guide market interest rates lower succeed in bringing favorable effects, "the economy will again move upward," the official said.

The report, endorsed at Tuesday's meeting of cabinet ministers in charge of economic affairs, played up the yen's exchange rate against the dollar, which was generally at 84 yen to the dollar from June to early July and began slipping in mid-July to fall to the 90 yen level as of Aug. 3.

Stock prices recovered "sharply" from early July to the middle of the month, and afterward generally maintained the level, the report said.

The EPA's assessment of housing construction became more pessimistic in the report, which stated explicitly such investment "has been declining recently." It said in the previous report housing construction had "tended to weaken."

Housing starts registered a year-on-year drop for the fourth straight month in June, the latest monthly statistics available. [graf as received]

The official said demand for housing is not expected to pick up anytime soon. Business confidence also weakened further. The July report said sentiment was improving gradually except for small firms, but the report stated a pickup in overall confidence had paused.

Personal consumption remained generally weak, with sales at supermarkets particularly showing a marked drop from a year earlier level. Monthly incomes declined in June, reflecting shortened overtime hours.

The employment situation continued to be severe, with the unemployment rate in June matching a record 3.2 percent registered two months earlier, the report said.

Industrial output slid in June for the third consecutive month, with the drop gradually becoming larger.

A few areas seen recovering include investment in production facilities and equipment in the private sector and a sustained increase in public works spending, the report said.

Five Major Parties' Economic Programs Viewed OW0708154595 Tokyo SHUKAN DAIYAMONDO in Japanese 22 Jul 95 pp 119-121

[Article by staff writer Masako Otsubo]

[FBIS Translated Text] The economy continues to linger in its stagnation, which has only increased the seriousness of the situation. From its pinnacle of growth at the top of the charts, the economy of Japan has hit a plateau from which it cannot be dislodged by improvised stimulus measures. The time has come for sweeping and thorough structural reforms. There is a real need for politicians and parties that have solid visions of the Japanese economy's path to the 21st century and that can and will overhaul the structure of Japan's economy in ways acceptable to the people. Does such power exist in the five current leading parties? Each political party was queried about its economic program.

The future of the economy of Japan is as clouded as ever by the force of the strong yen, the downward spiral in the stock market, deflation, and other factors. In addition, the (Nippon Life Insurance Research Institute) viewpoint that "depending on the appreciation of the yen, the growth rate for fiscal 1995 could possibly be zero," has found wide acceptance. The "ailments" afflicting our economy are serious indeed.

It is already evident that orthodox prescriptions for economic hard times — expanded public investment, tax reduction and lowering the official discount rate — cannot be expected to lead to recovery. The current economic mire is due less to factors of economic

distribution than () distortions in Japan's economic structures.

What the economy of Japan needs today is across-theboard deregulation and fundamental modifications in the standing economic structures — drastic, sweeping changes. However, any real cure is sure to be accompanied by the "pain" of bankruptcies and unemployment. Without the ability to alleviate such pain, no program of sweeping cures can be maintained, even if implemented. In other words, politics must provide a grand design that will provide new fields of employment and help foster new industries.

An economic program cannot merely provide for the current problems with the economy but must serve as a fundamental basis on which to map out Japan's course into the 21st century. This was a major point of debate in the House of Councillors election.

On 30 June, the member parties of the governing coalition announced their "New Tripartite Accord" fiscal policies even as their largest opposition party, the New Frontier Party [NFP] announced its "Reform Vision for the 21st Century." There is a pervasive lack of interest in elections and platforms as a consequence of political strongmen splintering off from established parties to form new parties, as reflected in the swell in unaligned votes. In spite of this, we have focused on economic policies here and have attempted to present each party's platform.

Massive Public Investments Cannot Give Us a Clear View of the Future

With the exception of the Japan Communist Party [JCP], the economic policies advocated by the four main parties include "implementation of public investment programs," "expansion of domestic consumption to reduce the Treasury surplus," and using public funds for "immediate write-offs of the defaulted loan burden" of financial institutions. It therefore appears, at first glance, that there are no glaring discrepancies between the parties of the ruling coalition parties and the NFP. Atsushi Miyawaki, now chief researcher at the Japan Research Institute and formerly with the Research Office of the House of Councillors Budget Committee, points out, "Each of the parties is aware that to prevent the economy from hitting rock bottom, there is an immediate need to implement economic countermeasures."

All five parties agree that "there was a foundation for a recovery last year, but the rapid rise of the yen and the fall of the market contributed to worsened conditions in the Japanese economy. The employment situation indicates that we have entered a stage where we can allow no laxity" (according to the Social Democratic Party of Japan [SDPJ]).

Things have reached the point where, even in regard to public investment, we cannot stop with the "traditional" programs such as civil engineering projects or expansion of transportation networks. The coalition parties are studying "placing greater focus on things that can improve the living standards of our citizens, such as housing and residential areas": "capital investment in the society of tomorrow, such as furthering research and telecommunications systems, etc."; and even a "relocation of the Diet."

On one hand, the NFP uses several statistical projections to show that the "traditional patterns of public investment added to the 'living environment' investments required to support our rapidly aging society through improved communications, medical care, and welfare" will require a combined total investment in excess of 10 trillion yen.

In order to close the gap between supply and a mand, both the coalition parties and the NFP agree on die need for drastic investment measures that involve issuing deficit-covering bonds.

If one points out disparities in the ruling coalition's working plans to issue deficit-covering bonds to create new red ink for the New Society, NFP representatives are apt to emphasize "welfare, or the cultivation of people talented in needed technologies, the 'software' needed by society as arenas for public investment, the cultivation of human resources, etc., in the areas of welfare and technology." The difference is limited to harely more than redefining the scope of deficit-covering bonds. There are certainly no differences in the basic concept of financing large public investments through debt issuance.

Furthermore, although the inflexibility of the fiscal loan and investment fundings for public investment has been roundly criticized, it made "reconsideration of the imposed ceilings" a campaign pledge. On the other hand, the NFP announced that "the methods of determining funding levels would be reassigned by the Ministry of Finance and proceed under the direct oversight of the offices of the prime minister".

However, the fundamental problem here is that there has been no articulation of the outlines of the vision for the future under which capital investments would be made in the New Society. "There is no concrete plan for advancing industrial development or for accelerating the flow of labor from the declining industries to new growth industries" (according to Miyawaki).

The economic policies of the parties in the governing coalition lack concreteness; they are ephemeral. And the NFP has offered only these words: "In conjunction with the massive 10 trillion yen in investments, sweeping deregulations and other reforms will permit the creation of jobs for three million people." There is no elucidation of the actual process. The NFP even added, "To clarify, we'd like to emphasize that this is only a set of figures, not a program that we intend to implement by all means. We believe that simply indicating the policy directions of our party is in itself meaningful" (NFP Policy Committee).

The SDPJ, deriving its power from the support of the labor unions, cautiously notes, "We are studying structural issues and how labor fluidity might be enhanced. However, we must consider whether to respond now or wait for the economy to improve somewhat" (SDPJ Policy Committee).

A macroeconomic look at the Japanese economy shows that deflationary pressures exerted by declining industries are inhibiting the rise of growth industries; this is likely to prolong the recession. According to Mr. Miyawaki of the Japan Research Institute, "Japanese politicians need to articulate an effective and appropriate vision for the whole Japanese economy. There will be industries which should be allowed to die out. It is the job of politicians to decide which industries these are. However, this assumes an alternate means of employing workers from these industries." Do politicians and the "zoku" special interest Diet members [Diet members closely affiliated with Government agencies, exercising great influence over policy formation) who are used to thinking only of the benefits to their own electoral districts, have the ability to put together a plan based on benefits to Japan as a whole?

Enthusiasm for Restoring Economic Health Through Tax Reforms

As an economic countermeasure, the governing coalition stated that it will continue the special tax reduction on income and residence taxes, to exceed two trillion yen in FY96. NFP also promises to continue the tax breaks.

Each party has indicated intentions to "make a sincere effort to reform the tax system." Japan faces the reality of becoming a preponderantly aged society in the 21st Century. With the drop in the wage earning population, there is concern that the tax burden, which depends on personal income taxes, will eat away at the motivation to work. Therefore, the governing coalition and the NFP, in the interest of maintaining parity between generations, has begun to re-examine the ratios of direct and indirect taxation.

Even within the governing coalition, however, there is no common agreement on the future of the consumption tax.

The LDP and Sakigake [Harbinger] emphasize an indirect tax and say they "will look into this matter of raising the consumption tax with the consent of the people." The SDPJ is opposed to further increases in the consumption tax and instead proposes "depending on deregulation, maintaining a standard of five percent if possible."

Of the opposition parties, the NFP stresses an indirect tax. The JCP concurs, and both oppose a consumption tax.

Furthermore, to maintain Japan's competitiveness, the governing coalition parties and the NFP advocate a review of corporate tax rates. "From the perspective of maintaining the efficiency and development of commercial firms, we should look at further expanding the tax base and at lowering rates. We also have to take a look at stabilizing the financial system by reviewing the tax base eligibilities of public corporations" (LDP).

The NFP has given numerical targets, advocating "dropping the present 49.8% tax rate in real terms to the 30's."

The JCP is emphasizing the need to "limit the fund reserves and corporate reserves held by large businesses" and the "introduction of a progressive tax system for corporations."

The Need for "Fair" Administration and "Open" Markets

The four major parties, but not the JCP, define the overhead of bad debt and defaulted loans accumulated by financial institutions as "holding back the economy." They advocate the "infusion of public funds" to eliminate the problems.

The three ruling parties insist that the efficiency of land utilization will be enhanced by overhauling regulations. At the same time, "with an extraordinary session of the Diet in the fall as the goal, an immediate investigation into the disposition of the financial system's bad debts, including injecting public funds, will be conducted." Incidentally, the issue of deficit-covering bonds is under consideration as a resource for purchasing land.

According to the NFP, "By early autumn, good debt should be separated from bad debt and addressed through the infusion of public funds." It is said that the party is also looking into the emergency implementation of a response using Bank of Japan special funds, which would require only the approval of the Minister of Finance.

The governing coalition, as well as the NFP, is pushing for a "quick solution," contingent upon disclosure of information and clear delineation of the responsibilities of the managers and overseers of the financial system. However, they have yet to touch upon the future of the financial system. Professor Ryuko Sawa of the Kyoto University Economic Research Institute states, "The establishment of fair principles and rules is imperative."

The Japanese economy faces a period of change. According to Professor Sawa, "Until now, the Japanese economic system has not created free and fair market principles." Differences in domestic and international prices, strongly binding regulations, a closed market, and other factors are typical of the "irrational" structural problems that afflict the Japanese economy, says Sawa.

It can also be said that this situation is an artificial creation of the nearly incestuous ties between the government, the bureaucracy, and the financial world. Policy is crafted under the supervision of the bureaucracy; reforms elicit the opposition of the bureaucracy. Miyawaki states, "Politicians create policy; the bureaucracy works with that policy and implements it. The problem is that the responsibilities of each are not clearly delineated."

What is required now is for politicians to do their job, to "rationalize the irrational." But can drastic structural reforms be achieved? In addition to providing employment opportunities, the policies of politicians and political parties will soon get a chance to work out.

MOF Reports on Securities Investment Outflow

OW0708112495 Tokyo KYODO in English 1006 GMT 7 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 7 KYODO — Japan experienced the fourth-largest net securities investment fund outflow in history in June, as aggressive purchases by Japanese investors eclipsed foreigners' purchases of Japanese stocks, the Finance Ministry said Monday [7 August].

The net fund outflow came to \$18.95 billion in June, compared with the largest-ever figure of \$20.17 billion recorded in June 1987, the ministry said.

Foreign bond purchases by Japanese investors in June, centering on Euroyen bonds, amounted to \$132.54 billion, while their foreign bond sales came to \$112.34 billion, it said.

These transactions left net foreign bond purchases for the month at a record \$20.20 billion.

Euroyen bond buying by Japanese investors accounted for roughly 50 percent of their total foreign bond purchases in June, while dollar-denominated U.S. bonds, including treasury bonds and notes, accounted for some 20 percent, the ministry said.

The ministry official attributed the robust Japanese purchases of foreign bonds to expectations of lower interest rates ahead amid the slowing U.S. economy.

Net foreign stock investment by Japanese investors stood at \$194 million in June — a relatively small figure compared with results for preceding months.

The ministry official linked the latest result to a prevalent view among investors that the U.S. economy may be heading for a "soft-landing" in view of weaker-thanexpected employment and consumer price index figures for the month.

In contrast, net Japanese stock purchases by foreign investors in June totaled \$2.68 billion — more than double the \$1.24 billion for the preceding month.

The official ascribed the active buying to bargain hunting as share prices fell substantially in the reporting month.

Foreign investors hunted high tech-related Japanese stocks renowned for active research and development, the official said.

Their Japanese share purchases were \$12.45 billion, while sales were \$9.77 billion, the ministry said.

Japanese net bond sell-offs by foreign investors amounted to \$1.24 billion in June, with sales of \$18.76 billion exceeding purchases worth \$17.53 billion, it said.

Overall, net Japanese securities investment by foreigners during the month came to \$1.45 billion, it said.

Net Capital Rules for Derivatives Trading Viewed OW0808122995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Aug 95 Morning Edition p 1

[FBIS Translated Text] In response to the globalization and expansion of financial and capital transactions, the Ministry of Finance [MOF] will tighten rules on net capital to ensure the financial soundness of securities firms. New rules will be implemented for the mid-term account settlement in September at the earliest.

Surety for futures options and other derivatives transactions will now be covered by regulations, and there will also be rules against massive possession of stocks or bonds of a single company.

When the British company Barings collapsed due to huge losses in derivatives transactions, there was concern that sureties deposited with Barings would not be paid back. Taking this into consideration, the new rules will also deal with the investors' credit risk. This will be the first MOF attempt to tighten rules on net capital since it introduced such regulations in April 1990.

The MOF's rule on net capital requires securities companies to have adequate self-owned capital to cope with devaluation of assets and other financial risks. "Risk volume" is calculated according to the type of assets, and the MOF rule calls for net capital of at least two times the total "asset risk volume" to maintain financial soundness.

The MOF recently presented its proposed revisions of this rule to the securities firms through the Securities Dealers Association of Japan. Details of the new rules will be finalized after hearing the opinions of the securities companies.

The centerpiece of the proposed revisions is the introduction of a rule requiring the calculation of new risk volumes for the consignment surety and guarantee money deposited with third-party financial institutions in futures option transactions.

Due to globalization and expansion of financial and capital transactions, the volume of derivatives transactions by Japanese securities firms with financial institutions not under the MOF's supervision has been growing. The existing rule on net capital is based on the assumption that "the financial institution that is the other party in the transaction is financially sound." However, because risk in derivatives transactions is growing, the MOF has decided to change its policy.

It will now be considered highly risky for securities firms to hold stocks or bonds issued by a single company in excess of 25 percent of its net capital. The proportion of massive transactions of stocks and bonds by institutional investors in the securities market has been growing, and in many cases securities firms hold massive blocks of stocks of a single company. Holdings exceeding 25 percent of net capital will be rated as two times the normal risk volume, while such holdings maintained for long periods will be rated at three times normal risk volume.

When the net capital ratio is low, it will be difficult for securities companies to accept orders from foreign investors, and attempts to open new outlets will be discouraged. According to estimates by a major securities firm, "if the revised rules are implemented, they will lead to a decline in net capital ratio by as much as 10 points."

As a result of the stock market's sluggishness for more than five years, business in the securities companies, particularly the second-tier and middle-ranking companies, is deteriorating. The net capital ratio has also dropped tremendously. From now on, it will be difficult for securities firms with low net capital ratios to deal in derivatives, and they may be forced to sell their stock holdings. The gap between them and the financially strong major securities companies will widen.

New Table of Parliamentary Strength

OW0808101195 Tokyo KYODO in English 0923 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — The following is a table of parliamentary strength in both houses of the Diet following the death of House of Councillors member Tetsuo Tanabe from the Liberal Democratic Party on Tuesday [8 August].

House of Representatives	House of Councillors					
Ruling coalition						
LDP 207	LDP 110					
SDP 64	SDP 39					
New Party Sakigake 20	New Party Sakigake 3					
Opposition						
Shinshinto 169	Heisei Kai 68					
JCP 15	JCP 14					
Minshu-no-Kai 5	Shin Ryokufu-kai 5					
New Democratic Club 3	Niin Club 4					
Independent Club 3	Citizen Peace 2					
Independents 14	Independents 6					
Vacancies 11	Vacancies 1					
Total 511	252					

Note: LDP is the Liberal Democratic Party, SDP is the Social Democratic Party and JCP is the Japanese Communist Party.

Reportage on Murayama's Planned Cabinet Reshuffle

Objections to Reshuffle Surface

OW0808062995 Tokyo KYODO in English 0615 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Schisms within the ruling coalition emerged Tuesday [8 August] morning as two members of the current cabinet revealed their objections to Prime Minster Tomiichi Murayama's proposed cabinet reshuffle later in the day.

Science and Technology Agency Director General Makik Tanaka said she wrote to the prime minister last week objecting to the plan to reshuffle his 13-month-old coalition cabinet.

Tanaka told a press conference she queried the timing of the reshuffle and told Murayama he should concentrate on "building an environment conducive to the happiness and peace of the nation," rather than be sidetracked by party politics.

In an apparent reference to the rivalry among senior members of the largest coalition partner, the Liberal Democratic Party (LDP), as they face a party presidential race set for late September, Tanaka said she told the premier it is not good for the government to be affected by internal differences within the coalition parties.

Meanwhile, Home Affairs Minister Hiromu Nonaka criticized the inclusion of LDP Secretary General Yoshiro Mori in the new cabinet, describing him as one of those who refuse to accept responsibility for the coalition's poor showing in the July House of Councillors election.

In such circumstances, his inclusion in the cabinet could not be justified, and the reshuffle "would lose its fundamental purpose" of regaining voter confidence.

The remark was an indirect criticism of moves by Foreign Minister and LDP President Yohei Kono and his backers to orchestrate a cabinet reshuffle and alter their own party's lineup.

LDP officials said Kono recommended Murayama to give a cabinet post to Mori in the reshuffle. Hiroshi Mitsuzuka, former foreign minister, will succeed Mori as LDP secretary general, they said.

Kono decided to change the LDP's senior post to get the support of Mitsuzuka's group in the LDP presidential race which culminates Sept. 22, LDP sources said.

Key Ministers Remain Unchanged

OW0808124295 Tokyo KYODO in English 1220 GMT 8 Aug 95

[FBIS Transcribed Text] TOKYO, Aug. 8 Kyodo — Prime Minister Tomiichi Murayama reshaped his 13-month-old cabinet Tuesday [8 August] but retained his key allies, Foreign Minister Yohei Kono and Finance Minister Masayoshi Takemura.

The 71-year-old Murayama, who heads the Social Democratic Party (SDP), decided to shake up his cabinet following the three-party coalition's poor showing in the July 23 House of Councillors election.

He had since insisted that the heads of the two other coalition partners — Kono, president of the Liberal

Democratic Party (LDP), and Takemura, head of New Party Sakigake [Harbinger] — retain their positions in a reshuffled cabinet with an eye to maintaining coalition unity.

Although Kono and Takemura wanted to leave their posts and shift their attention to party duties in preparation for the next general election for the House of Representatives, Murayama would not relent.

At the urging of Murayama, who shot to power in June 1994, the two men finally agreed Monday to keep their jobs in the new cabinet.

The premier also succeeded in persuading International Trade and Industry Minister Ryutaro Hashimoto, who has long been seen as a future prime minister, to stay on board.

In announcing the cabinet roster, new Chief Cabinet Secretary Koken Nosaka, construction minister in the first Murayama cabinet, said the face-lift "is in line with the premier's notion that a new cabinet must be formed to put the economy back on a recovery path and promote reform."

As agreed among the three coalition parties Monday, the share of cabinet portfolios remained unchanged — 13 for the LDP, the largest contingent in the governing bloc, five for the SDP and two for Sakigake, a small splinter party of the LDP.

LDP Secretary General Yoshiro Mori, a former trade minister, was appointed as construction minister to succeed Nosaka.

Murayama appointed Tomoharu Tazawa, Yoshinobu Shimamura and Hosei Norota of the LDP as justice, education and farm ministers.

He also named Takeo Hiranuma, Takashi Fukaya and Takami Eto, all of the LDP, as heads of the transport and home affairs ministries, and the Management and Coordination Agency.

The premier picked Masaaki Takagi, Seishiro Eto, Yasuoki Urano and Tadamori Oshima, also of the LDP, as respective chiefs of the agencies for Hokkaido and Okinawa Development, defense, science and technology, and the environment.

Meanwhile, SDP Diet Affairs Committee Chairman Churyo Morii was appointed as health and welfare minister.

The other SDP legislators named as new cabinet ministers are Issei Inoue, Shinji Aoki and Seiichi Ikehata. They won the posts of ministers of telecommunications and labor, and director general of the National Land Agency.

The remaining portfolio allotted to Sakigake went to Isamu Miyazaki, president of the Daiwa Institute of Research, who was named as chief of the Economic Planning Agency (EPA). He was a former vice EPA chief.

The second Murayama cabinet is scheduled to hold its first meeting at 11 p.m. Tuesday after its attestation ceremony at the Imperial Palace at 9 p.m., Nosaka said.

Murayama will then meet the press at his official residence, the new chief cabinet secretary added.

Nosaka Discusses Significance

OW0808132495 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 1108 GMT 8 Aug 95

[News conference by new Chief Cabinet Secretary Koken Nosaka with unidentified domestic reporters at the Prime Minister's Official Residence in Tokyo on the evening of 8 August]

[FBIS Translated Excerpt] [Passage omitted on statement on new cabinet line-up] [Reporter] How do you assess the political significance of reshuffling the Murayama cabinet under the present domestic and international conditions? In particular, it appears that the Social Democratic Party of Japan is criticizing the cabinet reshuffle as just a replacement of cabinet members to give cabinet posts to legislators in order of seniority and as a personnel reshuffle aimed at giving cabinet posts to legislators hungry for them. What is your comment?

[Nosaka] You asked why the Murayama cabinet was reshuffled at this time. As you know, a year and two months has passed since the Murayama cabinet was inaugurated. Looking at successive cabinets, the Murayama cabinet lasted the longest. The Murayama cabinet has resolved some major issues and opened prospects for resolving other major issues. Prime Minister Murayama thought that his cabinet should attach importance to economic recovery and strengthen its position for reform. The prime minister also has said the coalition partners should form a cabinet that is able to carry out reforms. The Murayama cabinet was reshuffled in keeping with his thinking.

Eight-term legislators affiliated with the SDPJ were not appointed to be cabinet members in this cabinet reshuffle. Some seven- and eight-term Dietmen affiliated with the ruling party also were not named cabinet members in this reshuffle. Some five-term Dietmen affiliated with the ruling party became cabinet members in this reshuffle. Looking at these appointments, this cabinet reshuffle was effected in line with the principle of the right men in the right posts. The criticism of

the cabinet reshuffle as just a replacement of cabinet members to give cabinet posts to legislators in order of seniority does not reflect the truth.

[Reporter] How do you assess the new cabinet?

[Nosaka] As a person involved in reshuffling the cabinet, I am not in a position to assess it. I believe it is proper that you assess the new cabinet.

Murayama Rejects Kono's Proposal

OW0808044295 Tokyo KYODO in English 0426 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Liberal Democratic Party (LDP) Secretary General Yoshiro Mori will be given a portfolio in the first cabinet reshuffle by Prime Minister Tomiichi Murayama on Tuesday [8 August], ruling coalition sources said.

Foreign Minister Yohei Kono, who heads the LDP, proposed to Murayama Tuesday morning to establish a new cabinet minister in charge of overall economic affairs and to pick up Mori for the new post, the sources said.

But Murayama later told reporters he will not accept Kono's proposal of establishing the new cabinet post. He said the cabinet should tackle with economic affairs as a whole.

A portfolio for Mori has become a crucial matter in a cabinet shakeup, they said.

Chief Cabinet Secretary Kozo Igarashi told reporters that a non-Diet member may be appointed as Economic Planning Agency director general.

Murayama, head of the Social Democratic Party (SDP), has already started preparatory work for the reshuffle of his 13-month-old coalition cabinet, which is expected to leave the main framework intact, the coalition sources said.

Murayama held a meeting with the heads of the SDP's coalition partners — Foreign Minister Yohei Kono, also LDP president, and Finance Minister Masayoshi Takemura, head of new party Sakigake [Harbinger]. Both have agreed to remain in the same posts in a reorganized cabinet.

Murayama also met with Kono separately and with SDP Secretary General Wataru Kubo to discuss the distributions of the cabinet portfolios.

Kono requested that the posts of chief cabinet secretary, posts and telecommunications minister and construction minister be given to LDP lawmakers.

Kono also wants to see a major portfolio handed to Mori, a leading supporter of Kono in his bid to be reelected as LDP president in the September party election.

A reported plan to create a new portfolio in charge of economic affairs for Mori, however, has been scuttled.

Ministry of International Trade and Industry chief Ryutaro Hashimoto, who is expected to run against incumbent Kono in the LDP presidential race, accepted Murayama's request to remain in the trade post in a reorganized cabinet, they said.

Hiroshi Mitsuzuka, former transport minister, will succeed Mori as LDP secretary general, they said.

An LDP group led by Mitsuzuka, with Mori as the No. 2 man, is backing Kono as the party head, while a group led by party Vice President Keizo Obuchi is supporting Hashimoto.

Murayama is scheduled to start a cabinet reshuffle around 3 P.M. The reorganized cabinet is expected to be established around 9 P.M., [1200 GMT] following an attestation ceremony at the Imperial Palace, government sources said.

Murayama will meet reporters Tuesday night after the inaugural session of the new cabinet, the sources said.

The distribution of cabinet posts among the three coalition partners will remain unchanged — 13 to the LDP, five to the SDP and two to Sakigake, coalition officials said.

Chief Cabinet Secretary Kozo Igarashi of the SDP, and the LDP's Hiromu Nonaka, home affairs minister and chairman of the national public safety commission, are expected to remain in their current posts, coalition sources said.

Construction Minister Koken Nosaka of the SDP, a close aide to Murayama, is likely to remain in the cabinet, the sources added.

The remaining key point over the reshuffle is whether SDP Secretary General Wataru Kubo will take a cabinet post, the sources said. Kubo, a main figure in the party's right wing, has been keeping his distance from Murayama, they said.

Murayama met Kubo on Monday night and is believed to have asked him to take a cabinet post, the sources said.

Other prospective candidates for ministerial posts include the LDP's Yoshinobu Shimamura, Takeo Hiranuma, Tomoharu Tazawa and Takashi Fukaya, and the SDP's Sukio Iwatare and Issei Inoue, they said. Hashimoto told reporters Tuesday morning he will remain in a reorganized cabinet and said he was ready to accept what the prime minister offers.

Hashimoto To 'Obey' Murayama

OW0808022895 Tokyo KYODO in English 0214 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Japan's economy is worse than indicated by Tuesday's [8 August] official assessment, with employment and small-business conditions especially severe, International Trade and Industry Minister Ryutaro Hashimoto said Tuesday.

"I think it's really severe," said the head of the Ministry of International Trade and Industry (MITI).

The monthly report of the Economic Planning Agency (EPA) is a general report that cannot delineate all pockets of economic distress, Hashimoto told a regular news conference after a morning cabinet meeting that adopted the EPA report.

Hashimoto said talks he had with people around the country for last month's House of Councillors election and a visit he paid to Tokyo's Ota Ward, an area full of tiny manufacturing subcontractors, showed problems "that do not appear in the statistics or the reports."

Record-high unemployment and a dwindling number of job offers per applicant must be viewed seriously, Hashimoto said.

The EPA said the economy remains at a standstill, with the recently retreating yen and the rising stock market offset by falling housing starts and business confidence. An EPA official said the economy is on a "plateau" with "energy to climb."

A MITI quarterly report Monday showed business confidence weakening further, especially among manufacturers, whose confidence had been on an uptrend.

Hashimoto would not confirm reports that he will remain as MITI minister when Prime Minister Tomiichi Murayama shuffles his cabinet later in the day. Foreign Minister Yohei Kono and Finance Minister Masayoshi Takemura have publicly said they will stay in their posts.

Until he gets the call from the prime minister he will not know his fate, Hashimoto said. He will "obey" Murayama "whether he says, 'stay in your post,' or, 'thank you for your trouble'," he said.

Kono, who is also deputy premier, reportedly had sought to quit the cabinet and then to take a less busy post to concentrate on his bid to be reelected president of the Liberal Democratic Party (LDP), which dominates Murayama's three-party coalition.

Hashimoto, seen as Kono's main rival in next month's LDP presidential race, reportedly objected that he did not want to remain MITI head if Kono stepped down.

Takemura, who heads the small new party Sakigake [Harbinger], also reportedly had wanted to quit after his party's drubbing in the elections and to take responsibility for a series of scandals involving Finance Ministry officials.

Asked about the performance of Murayama's 13-monthold government, Hashimoto said, "we did better than expected, didn't we?"

He cited work on aiding atom-bomb and mercurypoisoning victims and, for MITI, efforts to implement the government's deregulation plans, revision of the electrical power rate system and resolution of protracted trade disputes.

He did not specify the auto trade row with the United States, which he and U.S. Trade Representative Mickey Kantor resolved June 28 in Geneva, just hours before U.S. trade sanctions were to kick in.

Construction Heads, Others Named

OW0808053695 Tokyo KYODO in English 0533 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Prime Minister Tomiichi Murayama on Tuesday [8 August] named Yoshiro Mori, secretary general of the Liberal Democratic Party, the main partner in the ruling coalition, as construction minister, political sources said.

Murayama also chose Construction Minister Koken Nosaka of Murayama's Social Democratic Party to be new chief cabinet secretary, taking on the role of top government spokesman, the sources said.

The portfolio of the Economic Planning Agency went to well-known economist Isamu Miyazaki, president of the Daiwa Research Institute, affiliated to Daiwa Bank, the sources said.

NFP Leader Says Reshuffle 'Farce'

OW080°135295 Tokyo KYODO in English 1335 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — The leading opposition party Shinshinto (New Frontier Party) on Tuesday [8 August] called for early elections for the House of Representatives, criticizing the day's reshuffling of Prime Minister Tomiichi Murayama's 13-month old cabinet as a "farce."

Former Prime Minister Tsutomu Hata, deputy head of Shinshinto, said the cabinet reshaping was a farce designed by the ruling coalition to "maintain its power."

In a statement, the party urged Murayama to dissolve the powerful lower house for general elections so as to seek the voters' judgment.

Senior party member Takeori Kanzaki charged that "the Murayama cabinet is in its final death throes" and is drifting without clear direction.

The Japanese Communist Party (JCP) also called for Murayama to dissolve the lower house and hold general elections.

In a statement, Kazuo Shii, chief of the JCP Secretariat, criticized the cabinet facelift as "a product of party politicking aimed at sticking to power," following the coalition's major setback in the July 23 House of Councillors elections.

Murayama changed 17 of his 20 cabinet ministers Tuesday but left the three key portfolios — foreign, finance and international trade and industry — unchanged.

Yohei Kono, president of the Liberal Democratic Party and Masayoshi Takemura, head of New Party Sakigake [Harbinger], both key allies of Murayama in the coalition, retained the foreign and finance portfolios, respectively. Kono's chief rival for the LDP presidency, Ryutaro Hashimoto, stayed on as minister of international trade and industry.

Reportage on LDP Party Presidential Election

Election Slated 22 Sep

OW0808050595 Tokyo KYODO in English 0433 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — The Executive Council of the Liberal Democratic Party (LDP), mainstay of the tripartite ruling coalition, decided Tuesday [8 August] to hold the party's presidential election Sept. 22, party officials said.

The campaign for the top party post will start Sept. 10, the officials said, adding that the LDP will hold a party congress Sept. 25, following the election of a new president.

The presidential race had been initially set for Sept. 29, but the date was changed at the request of the LDP's coalition partner, the Social Democratic Party, so that an extraordinary Diet session can convene in September to debate pump-priming measures, they said.

The current two-year term of LDP President Yohei Kono, who serves as foreign minister and deputy prime

minister in the cabinet of Prime Minister Tomiichi Murayama, expires Sept. 30.

Mitsuzuka Supports Kono

OW0508111895 Tokyo KYODO in English 1039 GMT 5 Aug 95

[FBIS Transcribed Text] Sendai, Aug. 5 KYODO — A senior member of the Liberal Democratic Party [LDP] pledged Saturday [5 August] to support the reelection of party leader Yohei Kono in the presidential race for the sake of political stability.

Hiroshi Mitsuzuka, former chairman of the party's Policy Affairs Research Council, told a news conference Kono was instrumental in keeping the tripartite ruling coalition from falling apart.

"I will support Mr. Kono from the viewpoint that the most important task at present is to maintain political stability," he said.

Mitsuzuka predicted Kono will be pitted against Ryutaro Hashimoto, minister of international trade and industry, in the party's presidential election in September.

Kono, deputy prime minister and foreign minister, is president of the LDP, the largest of three ruling coalition parties. The two others are the Social Democratic Party, headed by Prime Minister Tomiichi Murayama, and new party Sakigake [Harbinger], led by Finance Minister Masayoshi Takemura.

Mityuzuka's remarks were in line with Kono's plan to install Mitsuzuka as party secretary general and give a cabinet post to incumbent Secretary General Yoshiro Mori, party sources said.

Mitsuzuka said it is a matter to be decided by the party head when asked whether he will accept the post of party secretary general.

In a related development, political sources said a cabinet shakeup planned by Murayama may be delayed beyond the original schedule of Monday to Tuesday because of Kono's refusal to remain as deputy prime minister and foreign minister.

Murayama has strongly asked Kono and Takemura to stay in his cabinet, retaining their current posts, the sources said.

They said Murayama will also ask Hashimoto to stay in the cabinet.

Murayama hopes to maintain the triumvirate leadership of his government, the sources said.

Obuchi Group Supports Hashimoto

OW0708172895 Tokyo MAINICHI SHIMBUN in Japanese 7 Aug 95 Morning Edition p 2

[FBIS Translated Text] Senior members of the former Liberal Democratic Party [LDP] Obuchi faction plan to throw their support behind Ryutaro Hashimoto, minister of international trade and industry, in the September LDP presidential election. The senior LDP officials, including party Vice President Keizo Obuchi, former Secretary General Seiroku Kajiyama, and former Transport Minister Kanezo Muraoka, confirmed their intentions in a meeting with Hashimoto early in the morning of 6 August in Tokyo. It has become very likely that Hashimoto will remain in his current post as trade minister since Yohei Kono, deputy prime minister and concurrently foreign minister, is also leaning toward remaining in his position. However, it is but a matter of time when Hashimoto will announce his decision to run in the LDP presidential race.

At the meeting, Obuchi criticized Kono and his group regarding their management of party affairs, saying: "I was placed completely in the dark regarding plans to appoint Mr. Hiroshi Mitsuzuka as secretary general. How would anyone dare to ignore the vice president of the party to such an extent?" Hashimoto also expressed displeasure at the high-handed style of Kono and his group.

On the evening of 6 August, one of the senior members of the former Obuchi faction said: "Mr. Obuchi has made up his mind, and Mr. Hashimoto has shown his readiness to run in the race."

Kato To Stay Neutral

OW0708141795 Tokyo NIHON KEIZAI SHIMUBN in Japanese 30 Jul 95 Morning Edition p 2

[Interview with Koichi Kato, chaiman of the Liberal Democratic Party's Policy Research Council, by NI-HON KEIZAI SHIMBUN reporter identified only as "H"; place and date not given; first three paragraphs are H's introduction]"

[FBIS Translated Text] Mr. Kato had been resigned to poor performance by the Liberal Democratic Party [LDP] in the House of Councillors election at an early stage. He has always said that "the LDP is still in a stage of transition, and it has not won back the people's trust." While he is a staunch supporter of the coalition administration, his remark that "the post-Murayama administration will also be led by Mr. Murayama triggered objections from his party. He shrugs this off, saying: "The Social Democratic Party of Japan [SDPJ]

and Sakigake [Harbinger] are not in a position to accept a prime minister from the LDP."

Kato has served as the leader of "Group Shinzeiki," a policy group he runs with Taku Yamasaki and Junichiro Koizumi — the three are referred to as the "YKK trio" — across the boundaries of the former LDP factions. He is building a major force that is different from the old LDP factions that have been disbanded. On the other hand, he has been outspoken as the LDP policy chief. He also exercises great authority over the Kasumigaseki [bureaucracy] — for a time, he banned Ministry of Finance officials opposed to administrative reform from entering his office.

While he is also considered a future candidate for LDP president and prime minister, he declared at this interview that "the YKK are not going to run" in the LDP presidential election in September. On the other hand, neither did he make any reference to the "reelection" of President Yohei Kono, his rival when they both belonged to the former Miyazawa faction. This is probably an indication that Kato is keeping an equal distance from Kono and Ryutaro Hashimoto [the other LDP presidential candidate] as part of his strategy to cast the deciding vote at the critical stage.

[H] You claim that with regard to the LDP's performance at the upper house election, "there should be more debate on the assessment of the election and on the responsibility of the party leadership."

[Kato] Losing to the New Frontier Party [NFP] in the proportional representation poll was unexpected, and I honestly believe this was a defeat. We have to listen fully to the opinions of the LDP Diet members and the local organizations (on the causes of the defeat). I can feel that the voters are after a fresh image and personal messages from legislators as to what they are planning to do.

There has not been sufficient (discussion on the leadership's responsibility). I have a feeling that some people suddenly stopped voicing their candid opinions the moment the issue of the cabinet reshuffle was brought up. On the other hand, Diet members who are serving their first, second, or third terms are imbued with a strong sense of crisis. It is wrong not to encourage the airing of various views in the party. An assessment of the election should come before the reshuffle; I think we can have the reshuffle in autumn.

Indifference to the LDP Presidential Election

[H] The reshuffle of the Murayama cabinet is being linked to the LDP presidential election, and this is causing an upheaval in the LDP. [Kato] I believe it is better not to complicate the reshuffle by linking this to the question of whether there will be a presidential election. What needs to be done now is to stimulate the economy. We must not focus on the wrong issue.

[H] Don't you think the LDP ought to give more play to its unique identity in economic issues, such as pumppriming measures?

[Kato] All of us would undoubtedly like to have the prime minister elected from our own party and to manage government policy according to our party's ideals. However, the LDP broke up three years ago amid the adverse wind and grand chorus of "crush the LDP." There is too much confusion on whether the LDP wants to go it alone and whether it is possible to do so under present circumstances. It is very tough for me as the policy coordinator. It is true that we have certain differences (with the SDPJ and Sakigake) on the land transaction profit tax, but the SDPJ has also come out in favor of introducing public funds in the liquidation of bad loans and formulating the second supplementary FY 95 budget as soon as possible. I think we are criticizing each other before the ruling and opposition parties, the bureaucracy, and the business sector have even exhausted their ideas on how to effect a breakthrough in economic stimulation.

Economic Policies Needed Right Now

[H] It now seems that the LDP presidential election will most probably be a contest between President Yohei Kono (deputy prime minister and foreign minister) and Minister Ryutaro Hashimoto of international trade and industry.

[Kato] It is too early to begin talking about the presidential election. What needs to be done now is to come up with policies, particularly economic policies, such as ways to restore the yen exchange rate to around 95 yen to a dollar, dealing with bad loans, and setting positive budget request ceilings to help create new industries for the future. We can talk about the presidential election in September, when the candidates step forward.

[H] For the LDP to make a strong impression, do you think you should create favorable publicity for the party through the presidential election?

[Kato] Yes, I think so. It would be absolutely wrong to elect the president through consultations. That would project an image of clandestine "dango" [bid fixing] of the old political world. If we think in terms of factions, we are going to suffer a serious defeat. In September, we should enlist candidates and ask them to proclaim openly their economic vision for Japan in the future.

No Candidates from YKK

[H] Is there a possibility that you will run for president?

[Kato] Definitely, there will not be any candidate from the YKK (Kato, Chairman Taku Yamasaki of the Diet Affairs Committee, and Lower House member Junichiro Koizumi). We are not thinking of such a scenario right now. We would also like to spend more time on gaining experience and on composing a policy vision. Personally, I am not prepared.

[H] How would you deal with the "crisis of party politics," as seen in the historically low voter turnout and the expansion of the stratum of citizens not supporting any party? Do you really have a scenario for reviving the LDP?

[Kato] The stratum not supporting any party should be defined as one highly sensitive to politics, with a political consciousness that cannot be satisfied by the hollow slogans of the political parties. I think when we are able to persuade the people of our "frontier vision" on how to effect a breakthrough in the economic and social stagnation in our country, and when the LDP's thinking becomes the people's common property, then we will be able to improve our reputation.

Mitsuzuka Appointed New LDP Secretary General

OW0808133195 Tokyo KYODO in English 1253 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Former Foreign Minister Hiroshi Mitsuzuka was named Tuesday [8 August] as new secretary general of the Liberal Democratic Party (LDP), the largest partner in the ruling coalition, LDP officials said.

The LDP's Executive Council approved his assumption of the party's No. 2 post at its extraordinary meeting after LDP President Yohei Kono asked him to succeed Yoshiro Mori, who was appointed as new construction minister in Tuesday's cabinet reshuffle.

An influential leader within the LDP, Mitsuzuka, 68, has held transport, trade and foreign ministerial posts. He has also served twice as chairman of the LDP's Policy Affairs Research Council.

Kono's appointment of Mitsuzuka is apparently in line with his effort to seek support from Mitsuzuka and his followers and ensure his reelection as LDP chief in September.

Mitsuzuka, who heads the party's political reform headquarters, has been elected to the House of Representatives eight times since 1972.

NFP Demands Diet Session on Economy in Sep

OW0808084495 Tokyo KYODO in English 0807 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Japan's largest opposition party, Shinshinto (New Frontier Party [NFP]), demanded Tuesday [8 August] an extraordinary Diet session be convened in early September to discuss economic pump-priming measures.

Shinshinto made the appeal when Tatsuo Ozawa, chief of a party committee of Diet members, met Takako Doi, speaker of the House of Representatives, Shinshinto officials said.

Ozawa protested at the Diet's failure to discuss Shinshinto- proposed bills on taxation and administrative reforms, they said.

SDP Considers Extraordinary Convention in Sep

OW0808092295 Tokyo KYODO in English 0835 GMT 8 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 8 KYODO — Policy planners of the Social Democratic Party, led by Prime Minister Tomiichi Murayama, reaffirmed Tuesday [8 August] that an extraordinary party convention should be called Sept. 17 or 18, party officials said.

The schedule will be finalized at a meeting of the party's policy-making central executive committee scheduled for Thursday, they said.

The convention has been proposed to review the July House of Councillors election, in which the party suffered a major setback, and discuss ways of creating a new party combining liberal forces both in and outside the party.

Second-Generation Politicians Listed, Viewed

952B0203A Tokyo KANKAI in Japanese Jul 95 pp 18-30

[Article by Asao Yamaguchi, political commentator]

[FBIS Translated Text] Politics is adrift. I wouldn't say that politics should be blamed for the Great Hanshin Earthquake, the Sarin case in the subway, or the Aum Shinrikyo [Supreme Truth Sect]. But, there is no sense of existence in politics, the politics which should be the basis for a nation. In Japan and anywhere else, politics seems to have lost its direction after the end of the Cold War between the East and the West. It continues to navigate without a compass.

In times of confusion and chaos, "a savior" always seems to appear. A dictator is not needed, or supposed to take power, in a democratic government. But, can I hope for the appearance of an attractive political power center or politician? The situation, however, doesn't seem very promising for this hope.

Politics is man-made. To change politics requires the emergnece of many outstanding politicians.

Politics in Japan Is Adrift

Political reform has been a major topic for discussion in the past few years due to the Recruit scandal, the Tokyo Sagawa Express scandal, the case of Shin Kanemaru's receipt of a large sum of illegal political contributions, and so on. However, reform has been short-changed by revision of the electoral system, leaving behind the issue of ethics in politics that needs to be discussed most. A decision has been made to introduce a single-seat electoral system combined with some proportional representation, and I'm inclined to doubt its value as real political reform. In any event, however, some people have already suggested a review of this new electoral system even before its implementation.

As Yukio Aoshima was elected in Tokyo, and Nokku Yokoyama in Osaka, in the most recent gubernatorial elections, nonpartisan politicians have been attracting attention. This phenomenon is generally considered as resulting from voters being against candidates selected by the existing political parties. The underlying issue, however, doesn't seem that simple; it has to do with the basic fact that politics and politicians have been making fools of the public. The phenomenon signifies an explosion of the public's accumulated anger toward politics.

A clear example is the deceptive nature of the so-called "political reform." Most of the citizens probably don't believe that the single-seat electoral system combined with some proportional representation would change or improve the political situation. They are likely to be thinking, "We have been fooled again."

A dietman even heard the following complaint from a supporter, whose voting district was changed due to the single-seat electoral system: "[Voting under] the single-seat electoral system is like shopping at a store that doesn't have much merchandise."

In sum, the electoral system was changed without involvement of the citizens. Voters were ignored. An electoral system is the most important thing in parliamentary democracy. As the citizens were given no opportunity to choose when the new electoral system was chosen through conspiratorial compromise among political parties, they all should be angry.

Furthermore, the birth of three administrations — the Hosokawa, Hata, and Murayama administrations — had

nothing to do with the will of the citizens. All these administrations were the results of fights over political power. The citizens have been mere bystanders, and politics continues to isolate them. The results of the gubernatorial elections in Tokyo and Osaka symbolize the voters' revolt against politics.

During the last general election in July 1993, a newparty boom swept over the country; Japan New Party [JNP], the Sakigake, and the Shinseito made rapid advances. Voters pinned their hopes on these "new parties," showing their dissatisfaction with politics.

However, their hopes were washed away like dreams and illusions. The people realized that nothing would change. They have learned that new parties and new facades have no significance, and that unless changes occur in the real nature of politicians, nothing will change.

The job of politician, or dietman, exists naturally as a career, but there seem to be too many "political wheelerdealers."

Toshio Yamaguchi is suspected of possible involvement in the case of an unfair lending practice of Tokyo Kyowa and Anzen credit unions. The case deserves hearings of witnesses at the Diet, but it is being used merely as a means for political warfare. Tadao Otani (of the former Shinseito) and Yutaka Kondo (of the former Japan New Party) abused political contributions to receive tax refunds illegally, creating shameless scandals in which politicians should never be involved. However, they remain free from care, receiving their salaries (paid by taxpayers) and continuing their lives as dietmen. It is incredible that nobody has yet asked them to resign their seats in the Diet.

If I tried to explain all this away simply as the insensibility of politicians toward taxes, that would be the end of it. However, the politicians as a whole seem to subscribe to the principle of "safety first."

Why did these politicians become so irresponsible and began to act like salaried workers? Even the world of salaried workers is becoming increasingly competitive; for example, the ability-based pay system has been introduced, and the seniority-based promotion and lifetime employment systems are being phased out. How can it be possible for the political world alone to remain in comfortable, lukewarm water?

Electoral Environment That Tolerates Second-Generation Dietmen

It is the era of the so-called second-generation dietmen
— hereditary politicians. "Second-generation dietmen"
can be categorized in various ways; for example, they

inherit their constituencies from their grandfathers, fathers, fathers-in-law, adoptive fathers, brothers, uncles, or some others. Most of them inherit their constituencies, signboards, and briefcases at the same time. However, there are some dietmen who run from electoral districts different from their predecessors'.

At present, as the list at the end of this article shows, there are 133 such second-generation dietmen in the House of Representatives — about 26 percent of the members of the House. In addition, there are 49 second-generation politicians among prefectural assemblymen and headmen of cities and villages. Combined, these second-generation politicians dominate about 35 percent of the head count. In the House of Councilors, second-generation dietmen number only 25, about 9 percent of the total. There are only 17 such local assemblymen. This is probably because the House of Councilors has wider electoral districts than the House of Representatives, making it difficult for second-generation politicians to inherit their constituencies.

By political party in the House of Representatives, the Liberal Democratic Party [LDP] has 87 dietmen and 20 local politicians; the New Frontier Party [NFP] has 30 and 16, respectively; the Social Democratic Party of Japan [SDPJ] nine and four; the Sakigake six and one; independents seven and one; and the Japanese Communist Party [JCP] one local politician. In the House of Councilors, the LDP has 15 dietmen and 10 local politicians; the NFP has two local politicians; the SDPJ has two and four; the JCP has one dietman; the Democratic Reform Alliance has one local politician; and the independents have four dietmen.

Furthermore, the LDP's major posts are dominated completely by second-generation dietmen: Yohei Kono as party president, Keizo Obuchi as vice president, Yoshiro Mori (his father is a town headman) as secretary general, Kabun Muto as chairman of the Executive Council, and Koichi Kato as chairman of the Policy Research Council. Ryutaro Hashimoto, minister of International Trade and Industry, is a second-generation politician, as is Junichiro Koizumi, known as one of the YKK [Yamasaki, Kato, Koizumi] group.

Likewise, the NFP has Ichiro Ozawa as secretary general; Tsutomu Hata, the former prime minister and the party vice president; Hajime Funada; Takeshi Noda; and Michihiko Kano. Therefore, it is no exaggeration to say that in both leading and opposition parties, second-generation dietmen control the center of politics.

The SDPJ did not allow, in principle, its members to inherit their constituencies privately up until the 1960's. However, this principle virtually fell apart as the party's political power dwindled. To secure seats in the Diet,

the party couldn't continue upholding the principle. Therefore, even the SDPJ had to recognize the merits of second-generation dietmen.

Inheriting a constituency, a signboard, and a briefcase proved to be more influential than money. A second-generation candidate, even if he is a novice, has a big advantage in winning an election. Such has been a prevalent condition in the Japanese-style election politics, although an issue can be raised against the voters who have allowed this to happen.

Also, in the political world, the seniority and the number of election triumphs take precedence over everything else. It has been common knowledge that once a politician gets elected five or six times, he becomes qualified for a cabinet position. Although there are some exceptions, such has been the case, even in today's coalition government.

A structure has evolved for second-generation dietmen to continue winning an election so long as they do not commit gross misconduct. These dietmen have been enjoying a privileged class of their own.

Originators cannot succeed unless they have energy and ideas to break up the existing walls. First-generation politicians must have had a strong will, feeling a sense of tension and making efforts to defeat their rivals and to create and strengthen their constituencies.

Second-generation dietmen, on the other hand, don't have to suffer as much as their predecessors. They just need to safeguard their inherited constituencies for themselves. It is no wonder that they tend to lose their vitality. Is it too much to say that they are thinking only of how to bequeath their inherited constituencies to their children and grandchildren?

The answer to this question seems self-evident in that none of the dietmen from the LDP or NFP, let alone the SDPJ, whose "gradual dissolution" has been predicted as inevitable, have said or done anything fresh or appealing to overcome the status quo.

I won't say that all the second-generation dietmen are like that, but whenever I observe the political reality of self-preservation, I think it natural that the number of nonpartisans is increasing.

Political parties are trying to entice personalities in show business and other famous people to become their candidates for election. However, this is equivalent to ignoring voters. Thinking only of collecting votes is not so different from second-generation dietmen's inheriting constituencies "without paying prices" politically. As long as this kind of thinking is prevalent, the nation's distrust in politics will never disappear.

The Number of Second-Generation Dietmen Continues To Increase

The political circle is preoccupied with various issues concerning "political power": the timing of Murayama's resignation, the issue of succession after Murayama, and such other issues that result from the restructuring of the coalition government as a possible merger of conservatives with conservatives. It is like a play world of court nobles.

It has been said for a long time now that politics is in a state of blockage. Lamenting over today's politics and feeling personally responsible for this, Shintaro Ishihara announced his resignation from his seat in the Diet when he received an official award for his long-term services. But, resigning from his seat is like escaping from his own responsibility, isn't it? Ishihara is one of the self-made politicians. He should have carried out his original intention. In other words, he was defeated by the second-generation dietmen, who are trying to maintain their status quo.

According to the number of election triumphs, it is clear that the number of second-generation dietmen has been increasing.

There are 19 dietmen and nine local politicians who have been elected once; 21 dietmen and eight local politicians who have been elected twice; 19 and four, respectively, for three times; nine and four for four times; 10 and three for five times; 14 and two for six times; 11 and three for same times; six and two for eight times; 12 and one for nine times; eight and one for 10 times; and two and three for 11 times.

What is noteworthy is that the overwhelming number of dietmen have been elected for the first, second, or third times. By political party, the LDP has most: 11 dietmen and two local politicians have been elected once. The NFP has four dietmen and seven local politicians who have been elected for the first time. What stands out here is that the NFP has relatively more local politicians. The reason for this seems to be that the former NFP tried to recruit as many new candidates as possible who had solid constituencies. It is evident that the NFP could not recruit as many candidates for seats in the Diet as the LDP did.

Politicians who have been elected twice are 13 dietmen and four local politicians for the LDP; three and three, respectively, for the NFP; three and one for the SDPJ; one and one for the Sakigake; and one dietman for the independents.

Those who have been elected for three times are 10 dietmen for the LDP, five dietmen and two local

politicians for the NFP; five dietmen for the Sakigake; and two local politicians for the SDPJ.

Those politicians who have been elected for more than twice entered the political world during the era of the LDP's simple-majority control in the government. However, it is evident that second-generation politicians have done well in local elections, as well. This shows clearly how advantageous it is in election for those who inherited particular constituencies.

The system based on single-seat districts will probably accelerate this trend, because local politicians, rather than dietmen, tend to have more close-knit constituencies.

All the parties except the SDPJ have already selected their official candidates for the next election and the one after that in single-seat districts. Although many dietmen from the former Komeito within the NFP are likely to be assigned to proportional districts, each party in principle gives priority to the incumbents. The number of second-generation dietmen will most likely increase; it doesn't seem to decrease at all.

Under the medium-size constituency electoral system in the past, about 30 percent of elected officials on average were replaced in each election. In England and the United States, which use the single-seat electoral system, however, the rate of replacement is said to be about 20 percent. As evidenced by the fact that the number of second-generation dietmen tends to increase, and because of the peculiar electoral environment in Japan, the rate of such replacement may still be much smaller.

The single-seat electoral system may make constituencies more rigid. As a result, the number of second-generation dietmen may continue to increase to more than 50 percent of elected officials in the not-so-distant future.

This trend will likely continue unless the political parties stop placing priority on "constituencies." In fact, an eloquent proof of this is that while advocating themselves as "reformists," the former Shinseito and the JNP recruited many candidates who are second-generation local politicians.

In any event, what seems so peculiar is that constituencies have been handed over so easily. In general, a constituency develops as a supporters' organization. At the center of such a supporters' organization are blood relatives, regional relations, industry-based associations, and corporations. As a matter of course, these constituents are voters. Handing over a constituency is done by a small group of executive officers with little consideration of the will of the members of the supporters'

organization. A supporters' organization is more powerful in a locality that has a strong bond centering around blood relatives and regional relations.

Nonpartisans are, therefore, those who cannot fit into the mold of supporters' organizations. If democracy means respect for the free will of individuals, an increase in the number of nonpartisans is a manifestation of democracy. It is proof that the voters have awakened to a political consciousness. It is a welcome event. In a sense, the state of blockage in politics has acted as a lesson to enlighten peoples' political consciousness. If this trend spreads all over the country, many of the second-generation dietmen may be weeded out. As yet, however, such a tendency is limited to major cities. If it spreads to local areas, succession of constituencies may become meaningless, and the number of second-generation dietmen should decrease as a result.

Like breeds like. But, the offspring or relatives of politicians do not necessarily have the caliber of politicians.

What is frequently asked is this: Are there any secondgeneration dietmen who have become better politicians than their fathers or relatives?

Kiichi Miyazawa's father, Hiroshi, served as a member of the House of Representatives, but he was never appointed to a cabinet position. Yohei Kono's father, Ichiro, had a lot of experience as a cabinet member, but he was unable to become LDP president. Ichiro Ozawa's father, Saeki, had various cabinet positions, but he could not become the secretary general like Ichiro did.

The current political system in Japan is such that as long as you increase the number of your successful elections smoothly, you can get a decent position like Miyazawa. Kono, and Ozawa.

The quality, good or bad, of a politician should not be judged by his official post. Even though official posts are systematized, they were not necessarily assigned to individual politicians according to their calibers during the era of the LDP's dominance in the government; they tended to be assigned according to the relative size of political factions and the favoritism of influential persons. Therefore, it is almost nonsensical to judge the caliber of a politician according to his ministerial post or his position as a party executive.

The caliber of a politician should be judged first by his political spirit, second by his faith, and third by his ideology. In general, qualifications for a politician include such qualities as foresightedness, decisiveness, international-mindedness, and balanced views. These are minimum qualities that a politician must possess. There has been a decline in the number of politicians who have the essential caliber, let alone the qualities mentioned above. This seems somewhat related to the increase of second-generation dietmen. Then, do those politicians other than the second-generation dietmen possess the caliber? The answer is a resounding no.

As mentioned earlier, the nuclei of major political parties are mostly controlled by second-generation dietmen. As in the saying that "one tends to be influenced by others," the entire political circle has become dominated by second-generation dietmen. Today's political condition symbolizes nothing but this state of affairs.

Under the single-seat electoral system, those candidates who have inherited constituencies, signboards, and briefcases have overwhelming advantages. Secondgeneration dietmen and candidates possess such an advantage. As a result, politicians become poor in terms of their caliber, increasingly robbing the vitality from politics.

Is There Any Future for Japanese Politics?

How long will this Japanese-style, undemocratic succession of constituencies continue? It is rather sad if we have to wait for a nationwide spread of nonpartisans.

The eighth deliberation council on electoral systems, which drafted the original proposal for the single-seat electoral system combined with some proportional representation, and those self-proclaimed "reformist" dietmen, who actively supported introduction of the system, advocated that the single-seat electoral system would make it possible to have elections centering around the political parties.

However, according to the progress seen in preparation for election campaigns everywhere, it doesn't seem quite possible to conduct elections centering around the political parties. This is true, also because there is not much difference among the political parties, except for the JCP. As each electoral district is smaller in size, candidates are required more than ever to be close to their local constituents and serve their interests.

The LDP recruited candidates publicly for vacant districts in Tokyo and other major cities. So did the NFP because of a large shortage of candidates. However, it has not chosen electoral districts, yet, because it is still searching for candidates who are more likely to win. Whether a candidate has a constituency or not becomes a decisive factor in the end.

In parliamentary democracy, the logic of numbers takes precedence. As a matter of course, therefore, a political party must choose its candidates who are likely to win. Indeed, this is a vicious circle. The clamor for political reform was in vain, but hoping for true political reform is like waiting for pigs to fly.

By prefecture, however, Shiga, Kochi, Oita, and Okinawa have no second-generation dietmen in the House of Representatives. Shiga Prefecture has only one dietman in the House of Councilors. The prefecture has produced many merchants who trade outside, and therefore the voters there probably have a discerning eye to judge people. Shigeru Yoshida was born in Kochi, but he did not nurture even his successors. It would be no surprise if such a tradition inculcated the people in the prefecture. In Oita, as well, although Tomiichi Murayama planned to retire once, he could not find a successor; he continued to serve as a politician, and eventually became the prime minister. The prefecture maintains a cool stance toward politics. Okinawa, because of its reversion to Japan proper [in the early 1970's], probably hasn't had a chance to produce second-generation dietmen, but as it has a U.S. military base, it probably doesn't have a climate to accept second-generation dietmen too easily.

All these four prefectures are in remote areas, but their voters must have a high level of political awareness. Evidence for this is that except for Masayoshi Takemura of Shiga Prefecture, who was elected with the largest number of votes, no other candidates from the four prefectures were able to take advantage of the "newparty boom" in the last election. This is probably because the voters in these prefectures are severe judges of candidates. On the other hand, it is also a fact that there were not many nonpartisans in these prefectures. Therefore, there is no guarantee that these four prefectures will not produce second-generation dietmen in the future.

Is there any future for Japanese politics? Unfortunately, a sense of hopelessness remains.

List of Second-Generation Dietmen in the Houses of Representatives and Councilors (and their Fathers and Mothers)

Dietman	District	Age	Party	Father/Mother	Name (Posts Held), District
Shoichi Nakagawa	Hokkaido	41	LDP	Father	Ichiro Nakagawa (Minister of Agriculture and Fishery; Director General of the Science and Technology Agency), Fifth
Nobutaka Machida	Hokkaido	50	LDP	Father	King: Nomura (Representative; Councilor; Minister of Home Affairs), First
Tetsuo Nagai	Hokkaido	45	SDPJ	Father	Katsujiro Nagai (Representative), Fifth
Hidenori Sasaki	Hokkaido	60	SDPJ	Father	Hideyo Sasaki (Minister of Transport), Second
Yukio Hatoyama	Hokkaido	48	Sakigake	Father	lichiro Hatoyama (Minister of Poreign Affairs), National
Tadamasa Kodaira	Hokkaido	53	NFP	Father	Tadashi Kodaira (Representative; Party Vice-Chairman), Fourth
Naoto Kitamura	Hokkaido	47	NFP	Father	Yoshikazu Kitamura (Representative), Fifth
Tadamori Oshima	Aomori	48	LDP	Father	Yutaro Ohshima (Prefectural Assemblyman), Hachinohe City
Reiichi Takeuchi	Aomori	68	LDP	Father	Toshikichi Takeuchi (Representative), Second
Kichiro Tazawa	Aomori	77	LDP	Father-in-Law	Bunji Tsushima (Representative)

The House of Re		60	NFP	Father	Masajiro Tanabe (Assemblyman
Masami Tanabu	Aomori	60	NFF	Pather	of Hachinohe City), Hachinohe City
Shunichi Suzuki	Iwate	42	LDP .	Father	Zenko Suzuki (Prime Minister; Minister of Posts and Telecommunications), First
Setsu Shiga	Iwate	62	LDP	Father	Kenjiro Shiga (Representative; Director General of the Defense Agency), Second
Reijiro Sawafuji	lwate	66	SDPJ	Father	Koji Sawafuji (Headman of former Kurosawajiri Town), Kurosawajiri Town
Ihiro Ozawa	Iwate	52	NFP	Father	Saeki Ozawa (Minister of Transport; Minister of Communications; Minister of Construction), Second
Ichiro Hino	Miyagi	61	SDPJ	Father	Yoshio Hino (Representative; Party Vice-Chairman), Second
Kazuo Aichi	Miyagi	57	NFP	Father-in-Law	Kiichi Aichi (Representative; Minister of Foreign Affairs), Second
Masamitsu Oishi	Miyagi	50	NFP	Father	Takeichi Oishi (Director General of the Environmental Agency; Minister of Agriculture), Second
Koji Futada	Akita	57	LDP	Father	Korenori Putada (Representative), First
Kenzo Muraoka	Akita	63	LDP	Father	Kenkichi Muraoka (Prefectural Assemblyman), Honjo City
Tatsuo Sasayama	Akita	54	NFP	Father	Shigetaro Sasayama (Chairmar of the Audit Committee), Second
Koichi Kato	Yamagata	55	LDP	Father	Seizo Kato (Representative; Chairman of the Judicial Affairs Committee), Second
Tetsuo Kondo	Yamagata	65	LDP	Father-in-Law	Masakatsu Nohara (Representative; Minister of Labor)
Michihiko Kano	Yamagata	53	NFP	Father	Hikokichi Kano (Parliamentary Vice-Minister of the Economic Planning Agency), First
Naoki Tanaka	Fukushima	54	LDP	Father	Naoto Suzuki (Representative; Councilor), Third
Goji Sakamoto	Pukushima	50	NFP	Father	Asajiro Sakamoto (Vice-Chairman), Iwaki City
Yuya Niwa	Ibaraki	51	LDP	Father	Koshiro Tanba (Minister of Transport), Third
Shunpei Tsukahara	Ibaraki	48	LDP	Father	Toshiro Tsukahara (Director General of the General Affairs Agency; Minister of Labor), Second

The House of Re	epresentatives				
Toshio Nakayama	Ibaraki	70	LDP	Father	Eiichi Nakayama (Parliamentary Vice-Minister of the Hokkaido Development Agency), First
Nobuyuki Hanashi	Ibaraki	66	LDP	Father	Shingoro Hanashi (Representative), First
Kishiro Nakamura	Ibaraki	46	Independent	Mother	Tomi Nakamura (Chairman of the Special Committee on Consumer Prices)
				Father	Kishiro Nakamura (Parliamentary Vice Minister for the Construction Ministry and the Defense Agency)
Susumu Yanase	Tochigi	45	Sakigake	Father	Isamu Yanase (Prefectural Assemblyman), Utsunomiya City
Hajime Funada	Tochigi	41	NFP	Father	Yuzuru Funada (Councilor; Parliamentary Vice-Minister of Finance)
Atsushi Kanda	Tochigi	54	NFP	Father	Taisaku Kanda (Representative), Second
Yojiro Nakajima	Gunma	35	LDP	Father	Gentaro Nakajima (Minister of Education; Chairman of the Foreign Affairs Committee of the House of Representatives), Second
Yasuo Pukuda	Gunma	58	LDP	Father	Takeo Pukuda (Prime Minister Minister of Agriculture; Minister of Finance), Third
Keizo Obuchi	Gunma	57	LDP	Father	Kohei Obuchi (Representative) Third
Tsuruo Yamaguchi	Gunma	69	SDPJ	Father	Eitaro Yamaguchi (Assemblyman of Kusatsu Town)
Takashi Sasagawa	Gunma	59	NFP	Father	Ryoichi Sasagawa (Representative), Fifth
Nobuhiko Pukunaga	Saitama	51	LDP	Father	Kenji Pukunaga (Prefectural Assemblyman; Chairman of the Executive Council; Minister of Labor), Fifth
Takuji Kato	Saitama	68	LDP	Father	Akihisa Kato (Headman of Ogano Township), Ogano Town
Hikaru Matsunaga	Saitama	66	LDP	Father	Higashi Matsunaga (Representative; Ministry of Education)
Yataro Mit- subayashi	Saitama	76	LDP	Father	Kozo Mitsubayashi (Representative; Chairman), National
Toshio Yamaguchi	Saitama	54	Independent	Father	Rokuroji Yamaguchi (Representative; Chairman of the Judicial Affairs Committee) Second

Yasukazu Hamada	Chiba	39	LDP	Father	Koichi Hamada (Minister of Construction; Chairman of the
Hamada					Audit Committee), Third
Motoo Hayashi	Chiba	48	LDP	Father	Taikan Hayashi (Director General of the Environmental Agency), Second
Masaru Kano	Chiba	60	LDP	Father	Seiichi Kano (Assemblyman of former Shikishima Village), Former Shikishima Village
Eisuke Mori	Chiba	46	LDP	Father	Yoshihide Mori (Representative; Director General of the Environmental Agency), Third
Hideo Usui	Chiba	56	LDP	Father	Soichi Usui (Director General of the General Affairs Agency) First
Shozaburo Nakamura	Chiba	60	LDP	Father	Koichiro Nakamura (Representative; Chairman of the Special Committee on Election Laws), Third
Kazuya Ishibashi	Chiba	73	LDP	Father	Atsuishi Ishibashi (Prefectural Assemblyman)
Kazuo Shii	Chiba	40	JCP	Father	Myoyo Shii (Assemblyman of Funabashi), Funabashi City
Shigeyuki Tomita	Chiba	41	NFP	Father	Bunji Tomita (Assemblyman o Choshi City), Choshi City
Masayuki Okajima	Chiba	64	NFP	Father	Tanetoku Okajima (Assemblyman of Ichihara City), Ichihara City
Nobuteru Ishihara	Tokyo	38	LDP	Father	Shintaro Ishihara (Director General of the Environmental Agency; Minister of Transport) Second
Kosuke Ito	Tokyo	53	LDP	Father	Samon Ito (Head of the former Miyoshi Village Assembly), Kamiinagun Third
Yoshinobu Shimamura	Tokyo	61	LDP	Father	Ichiro Shimamura (Representative; Chairman of the Commerce and Industry Committee), Tenth
Takashi Hamano	Tokyo	69	LDP	Father	Seigo Hamano (Director General of the Administrative Management Agency; Minister of Justice), Ninth
Michio Ochi	Tokyo	66	LDP	Father-in-Law	Takeo Fukuda (Prime Minister
Shigeru Kasuya	Tokyo	69	LDP	Father	Shigekichi Kasuya (Assemblyman of Shibuya Ward), Shibuya Ward
Sadao Yamahana	Tokyo	59	SDPJ	Father	Hideo Yamahana (Representative; Chairman of the Party Diet Committee

The House of R	•				1
Taiichiro Nishikawa	Tokyo	52	NFP	Father	Kanji Nishikawa (Assemblyman of Arakawa Ward), Arakawa Ward
Ichiro Takahashi	Tokyo	69	NFP	Father	Shinichi Takahashi (Assemblyman of Nakano Ward), Nakano Ward
Kunio Hatoyama	Tokyo	46	NFP	Father	Kuniichiro Hatoyama (Representative; Minister of Foreign Affairs), National
Hyosuke Kujiraoka	Tokyo	79	Independent	Father	Hyoe Kujiraoka (Assemblyman of former Tokyo City), Adachi Ward
Hachiro Okonogi	Kanagawa	29	LDP	Father	Hikosaburo Okonogi (Miniter of International Trade and Industry), First
Akira Amari	Kanagawa	45	LDP	Father	Tadashi Amari (Representative), Third
Yoshiyuki Kamei	Kanagawa	59	LDP	Father	Yoshiaki Kamei (Representative), Naitonal
Junichiro Koizumi	Kanagawa	53	LDP	Father	Junya Koizumi (Director General of the Environmental Agency), Second
Yohei Kono	Kanagawa	58	LDP	Father	Ichiro Kono (Minister of Agriculture; Minister of Construction; Director General of the Economic Planning Agency), Third
Kenichiro Sato	Kanagawa	48	Sakigake	Father	Ichiro Sato (Representative; Director General of the Economic Planning Agency), Fourth
Eiji Nagai	Kanagawa	57	NFP	Father	Harumatsu Nagai (Assemblyman of Akagi Village), Akagi Village
Yamato Inaba	Niigata	51	LDP	Father	Osamu Inaba (Minister of Education; Minister of Justice), Second
Makiko Tanaka	Niigata	51	LDP	Father	Kakuei Tanaka (Prime Minister; Chairman of the Policy Affairs Research Council; Secretary General), Third
Shin Sakurai	Niigata	62	LDP	Father	Minoru Sakurai (Prefectural Assemblyman)
Katsuhiko Shirakawa	Niigata	49	LDP	Father-in-Law	Ryuji Ito (Representative; Councilor)
Tatsuo Ozawa	Niigata	78	NFP	Father-in-Law	Kuniharu Ozawa (Representative)
Kotaro Tachibana	Toyama	60	Father	Naoji Tachibana	Representative; Councilor; Member of the Local Administration Committee of the House of Councilors), Second

Hiroshi Sumi	Toyama	40	LDP	Father	Eisaku Sumi (Minister of Justice), First
Tamisuke Watanuki	Toyama	68	LDP	Father	Yoshitomi Watanuki (Representative), Second
Yoshiro Mori	Ishikawa	57	LDP	Father	Shigeki Mori (Head of Negami Township), Negami Town
Kazuhiko Tsuji	Pukui	70	SDPJ	Father	Hikodayu Tsuji (Assemblyman of Obama City), Obama City
Wataru Hiraizuki	Fukui	65	LDP	Father-in-Law	Morinosuke Kajima (Councilor)
Taku Yamamoto	Fukui	42	NFP	Father	Osamu Yamamoto (Mayor of Sabae City), Sabae City
Shomei Yokouchi	Yamanashi	53	LDP	Father	Kaname Yokouchi (Mayor of Nirasaki City), Nirasaki City
Mitsuo Horiuchi	Yamanashi	65	LDP	Father	Kazuo Horiuchi (Representative), National
Hajime Ogawa	Nagano	56	LDP	Father	Ippei Ogawa (Representative), National
Shunjiro Karasawa	Nagano	64	LDP	Father	Toshiki Karasawa (Minister of Justice), Fourth
Ikuo Horigome	Nagano	53	SDPJ	Father	Yoshio Horigome (Mayor of Ueda City), Ueda City
Shoichi Ide	Nagano	55	Sakigake	Pather	Ichitaro Ide (Minister of Agriculture; Chief Cabinet Secretary), Second
Kenji Kosaka	Nagano	49	NFP	Father	Zentaro Kosaka (Representative; Minister of Labor; Minister of Foreign Affairs), First
Mamoru Nakajima	Nagano	59	NFP	Father	Iwao Nakajima (Representative), Third
Tsutomu Hata	Nagano	59	NFP	Father	Takeshiro Hata (Representative Chairman of the Construction Committee), Second
Takao Fujii	Gifu	52	LDP	Father	Heigo Fujii (Representative)
Keishi Puruya	Gifu	42	LDP	Father	Ryo Puruya (Representative; Minister of Home Affairs), Second
Ichigi Kaneko	Gifu	52	LDP	Father	Ippei Kaneko (Minister of Finance; Director General of the Economic Planning Agency), Second
Kabun Muto	Gifu	68	LDP	Father	Kaichi Muto (Representative; Mayor of Kakumuhara City), First
Hiroyasu Kurihara	Shizuoka	46	LDP	Father	Hiroyuki Kurihara (Minister of Labor; Director General of the Defense Agency), Second

Toshitsugu Saito	Shizuoka	50	LDP	Father-in-Law	Hiroyuki Masuoka (Minister of Welfare)
Ryu Shioya	Shizuoka	45	LDP	Father	Kazuo Shioya (Chairman of the Local Administration Committee; Parliamentary Vice-Minister of Labor), Third
Senpachi Oishi	Shizuoka	59	LDP	Father	Ystsuji Oishi (Parliamentary Vice-Minister of Home Affairs), First
Aogu Matsumae	Shizuoka	59	SDPJ	Father	Shigeyoshi Matsumae (Representative), First
Motoo Abe	Shizuoka	64	NFP	Father	Minamoto Abe (Home Secretary)
Toichiro Kuno	Aichi	58	LDP	Father	Tadaharu Kuno (Minister of Posts and Telecommunications: Chairman of the Cabinet Committee), Second
Hirotake Akamatsu	Aichi	47	SDPJ	Father	Isamu Akamatsu (Party Vice Chairman), Sixth
Kanju Sato	Aichi	53	SDPJ	Father	Kanjiro Sato (Representative), Third
Tetsuma Eto	Aichi	51	NFP	Father	Masumi Esaki (Director General of the General Affairs Agency; Minister of Home Affairs), Third
Tadao Otani	Aichi	59	Independent	Father	Takeo Otani (Councilor; Chairman of the Discipline Committee), National
Jiro Kawasaki	Mie	47	LDP	Father	Shuji Kawasaki (Minister of Welfare), First
Hajime Tamura	Mie	71	LDP	Father	Minoru Tamura (Representative), Second
Akihiko Noro	Mie	48	NFP	Father	Kyoichi Noro (Minister of Welfare), Second
Hiroshi Nakai	Mie	52	NFP	Father	Tokujiro Nakai (Representative Mayor of Ueno City), First
Sadakazu Tanigaki	Kyoto	50	LDP	Father	Senichi Tanigaki (Minister of Education), Second
Taro Nakayama	Osaka	70	LDp	Mother	Masa Nakayama (Representative; Minister of Welfare), Third
				Father	Fukuzo Nakayama (Representative; Councilor; Chairman of the Judicial Affairs Committee of the House of Councilors), Fourth
Koki Nakauma	Osaka	58	LDP	Father	Kaoru Nakauma (Mayor of Osaka City), Osaka City

Masaaki Nakayama	Osaka	62		Mother	Masa Nakayama (Representative; Minister of Welfare), Third
				Father	Fukuzo Nakayama (Representative; Councilor; Chairman of the Judicial Affairs Committee of the House of Councilors), Fourth
Masajuro Shiokawa	Osaka	73	LDP	Father	Masamitsu Shiokawa (Mayor of Fuse Cisy), Fuse City
Ken Harada	Osaka	76	LDP	Father	Nagaharu Harada (Prefectural Assemblyman), Ikeda City
Shingo Nishimura	Osaka	46	NFP	Father	Eiichi Nishimura (Party Chairman), Fifth
Kazuo Kitagawa	Osaka	42	NFP	Father	Giichi Katagawa (Representative), Sixth
Megumu Sato	Osaka	71	NFP	Father	Yoshitoshi Sato (Representative; Director General of the Defense Agency), Second
Takushi Oya	Osaka	65	Independent	Father	Shozo Oya (Chairman of the Association of SDPJ Dietmen), First
Kisaburo Tokai	Hyogo	47	Sakigake	Father	Kisaburo Tokai (Minister of Home Affairs; Minister of Construction), Third
Hajime Ishii	Hyogo	60	NFP	Father	Koji Ishii (Prefectural Assemblyman), Suma in Kobe City
Seisuke Okuno	Nara	81	LDP	Father	Sadaharu Okuno (Prefectural Assemblyman)
Toshihiro Nikai	Wakayama	56	NFP	Father	Shuntaro Nikai (Prefectural Assemblyman), Gobo City
Shigeru Ishiba	Tottori	38	NFP	Father	Jiro Ishiba (Councilor; Minister of Home Affairs; Governor)
Hiroyuki Hosoda	Shimane	51	LDP	Father	Kichizo Hosoda (Director General of the Defense Agency; Minister of Transport), Naitonal
Yoshio Sakurauchi	Shimane	83	LDP	Father	Yukio Sakurauchi (Secretary General of the [Liberal] Democratic Party; Minister of Finance), First
Ichiro Aisawa	Okayama	40	LDP	Father	Hideo Aisawa (Parliamentary Vice Minister of Labor), First
Yoshitaka Murata	Okayama	50	LDP	Father-in-Law	Katsushi Katsui (Minister of Labor)
Ryutaro Hashimoto	Okayama	57	LDP	Father	Ryugo Hashimoto (Representative; Minister of Welfare; Minister of Education), Second

Takeo Hiranuma	Okayama	55	LDP	Father-in-Law	Kichiro Hiranuma (Prime Minister)
Satruki Eda	Okayama	53	NFP	Father	Saburo Eta (Representative; General Secretary of SDPJ), Second
Pumio Kishida	Hiroshima	37	LDP	Pather	Pumitake Kishida (Chairman of the Cabinet Committee; Parliamentary Vice-Minister of the General Affairs Agency), First
Hidenao Nakagawa	Hiroshima	51	LDP	Father-in-Law	Takashi Nakagawa (Representative)
Kazuo Tanikawa	Hiroshima	64	LDP	Father	Noboru Tanikawa (Representative; Governor of Yamanashi Prefecture), Second
Yukihiko Ikeda	Hiroshima	58	LDP	Father-in-Law	Hayato Ikeda (Prime Minister)
Kiichi Miyazawa	Hiroshima	75	LDP	Father	Hiroshi Miyazawa (Representative), Third
Tetsuo Saito	Hiroshima	43	NFP	Father	Takeo Saito (Assemblyman of Hasumi Village), Hasumi Village
Shinzo Abe	Yamaguchi	40	LDP	Father	Shintaro Abe (Chief Cabinet Secretary; Minister of International Trade and Industry; Minister of Foreign Affairs), First
Takeo Kawamura	Yamaguchi	52	LDP	Father	Sadakazu Kawamura (Vice Chairman), Hagi City
Masahiko Komura	Yamaguchi	53	LDP	Father	Sakahiko Komura (Representative; Mayor of Tokuyama City), Second
Shinji Sato	Yamaguchi	63	LDP	Father	Eisaku Sato (Prime Minister; Minister of Posts and Telecommunications, Minister of Finance; Minister of International Trade and Industry), Second
Yoshiro Hayashi	Yamaguchi	67	LDP	Father	Keisuke Hayashi (Representative), First
Masuo Matsuoka	Yamaguchi	60	NFP	Father	Mitsuo Matsuoka (Mayor of Hikari City), Hikari City
Akira Shichijo	Tokushima	43	LDP	Father	Hirobumi Shichijo (Prefectural Assemblyman), Itano-gun
Shunichi Yamaguchi	Tokushima	45	LDP	Father	Kazuo Yamaguchi (Prefectural Assemblyman), Miyoshi-gun
Masaharu Gotoda	Tokushima	80	LDP	Father	Masusaburo Gotoda (Village Headman; Subprefectural Assemblyman), Bigo in Assue-gun

Yoshihito waasa	Tokushima	40	NFP	Father	Yoshikado Iwaasa (Prefectural Assemblyman), Anan City
Yoshinori Ono	Kagawa	59	LDP	Father-in-Law	Tsunetaro Kato (Representative; Councilor; Minister of Labor)
Yoshio Kimura	Kagawa	47	LDP	Father	Takechiyo Kimura (Chairman of the Judicial Affairs Committee; Chairman of the Local Administration Committee), First
Hajime Morita	Kagawa	61	LDP	Father-in-Law	Masayoshi Ohira (Prime Minister)
Takao Fujimoto	Kagawa	64	LDP	Father	Sutekichi Fujimoto (Representative; Chairman of the Social and Labor Affairs Committee), First
Yoshimi Mino	Kagawa	64	SDPJ	Father	Kinji Sanno (Assemblyman of Shice Township), Shice Town
Yasuhisa Shiozaki	Ehime	44	LDP	Father	Jun Shiozaki (Director General of the Economic Planning Agency; Director General of the General Affairs Agency), First
Koichi Yamamoto	Ehime	47	LDP	Father	Yuichi Yamamoto (Chairman of LDP's Traffic Division), Third
Seiichiro Murakami	Ehime	43	LDP	Father	Shinjiro Murakami (Representative), Second
Mamoru Nishida	Ehime	67	LDP	Father	Tadatsugu Nishida (Chairman of the Prefectural Assembly)
Katsutsugu Sekiya	Ehime	57	LDP	Father	Katsutoshi Sekiya (Chairman of the Cabinet Audit Committee), First
Tokihiro Nakamura	Ehime	35	NFP	Father	Tokio Nakamura (Representative), First
Taro Aso	Fukuoka	54	LDP	Father	Takakichi Aso (Representative), Second
Harumichi Hosoya	Fukuoka	55	SDPJ	Father	Haruyoshi Hosoya (Representative), Third
Ryu Matsumoto	Fukuoka	44	SDPJ	Father	Eiichi Matsumoto (Counilor), National
Asahiko Mihara	Fukuoka	47	Sakigake	Father	Asao Mihara (Minister of Education; Director General of the Defense Agency), Second
Kozo Yamamoto	Fukuoka	46	NFP	Father-in-Law	Tatsuo Murayama (Minister of Finance)
Kazunari Koga	Fukushima	47	NFP	Father	Sugio Koga (Mayor of Yanagawa City), Yanagawa City
Seiichi Ota	Fukuoka	49	Independent	Father-in-Law	Hikaru Kamei (Representative)

The House of	Representatives				
Koruke Hori	Saga	60	LDP	Father	Shigeru Hori (Prefectural Assemblyman; Chairman of th Executive Council; Secretary General), National
Koichiro Aino	Saga	67	NFP	Father	Koichiro Aino (Representative) Naitonal
Genjiro Kaneko	Nagasaki	51	LDP	Father	Iwazo Kaneko (Director General of the Science and Technology Agency; Minister of Agriculture), Second
Kenichiro Hatsumura	Nagasaki	41	NFP	Father	Takiichiro Hatsumura (Councilor; Minister of Labor)
Takeo Nishioka	Nagasaki	59	NFP	Mother	Haru Nishioka (Councilor), National
				Father	Takejiro Nishioka (Representative; Mayor of Nagasaki City), First
Hiroyuki Sonoda	Kumamoto	53	Sakigake	Father	Tadashi Sonoda (Minister of Welfare; Minister of Foreign Affairs; Chief Cabinet Secretary), Second
Takeshi Noda	Kumamoto	53	NFP	Father-in-Law	Takeo Noda (Minister of Hom Affairs)
Masayoshi Yagami	Kumamoto	34	NFP	Father	Shojiro Yagami (Prefectural Assemblyman)
Kazumi Mochinaga	Miyazaki	67	LDP	Father	Yoshio Mochinaga (Representative), Second
Susumu Nikaido	Kagoshima	85	LDP	Father	Atsushi Nikaido (Headman of former Takayama Village), Takayama Village
Okiharu Yasuoka	Kagoshima	56	NFP	Father	Takehisa Yasuoka (Parliamentary Vice-Minister of Posts and Telecommunications Amami Islands
House of Coun	cilors				
Shuji Kita	Hokkaido	70	LDP	Father	Katsutaro Kita (Representative Councilor; Prefectural Assemblyman), First
Kanpei Matsuo	Aomori	68	NFP	Father	Setsuzo Matsuo (Prefectural Assemblyman), Mito-gun
Motoo Shiina	lwate	64	Independent	Father	Etsusaburo Shiina (Vice President; Minister of International Trade and Industry; Minister of Foreign Affairs), Second
Akio Hosoya	Akita	68	SDPJ	Father	Kinichiro Hosoya (Town Assemblyman; Chairman of th Agricultural Association), Jinguji-machi

Yаяц Каво	Iberaki	60	LDP	Father	Takazo Kato (Representative; Chairman of the Construction Committee), First
ltruo Nomura	Iberaki	53	LDP	Father	Masayoshi Normara (Vice Chairman), Yuki-gun
Makoto Taneda	Iberaki	49	SDPI	Father	Rokuro Taneda (Prefectural Assemblyman; Assemblyman of Mito City)
Tetsuo Yano	Tochigi	48	LDP	Father	Noboru Yano (Councilor; Parliamentary Vice Minister of the Science and Technology Agency), Regional
Yubun Ueno	Tochigi	67	SDPJ	Father	Senjuro Ueno (Head of Ninomiya-cho), Ninomiya-cho
Hirobumi Nakasone	Guama	49	LDP	Father	Yasuhiro Nakasone (Prime Minister; Minister of International Trade and Industry; Director General of the Defense Agency), Third
Hiroyuki Kurata	Chiba	57	LDP	Father	Tamotsu Kurata (Prefectural Assemblyman)
Yoshio Yoshikawa	Niigata	63	LDP	Father	Heiichi Yoshikawa (Assemblyman of Niigata City), Niigata City
Toshio Inamura	Niigata	66	SDPJ	Father	Junzo Inamura (Representative), Third
Yasumasa Kakuma	Toyama	68	LDP	Father	Hisayasu Kakuma (Prefectural Assemblyman), Shimoshinkawa-gun
Masaaki Yamazaki	Fukui	52	LDP	Father	Masakazu Yamazaki (Prefectural Assemblyman), Ohno in Ohno City
Tetsuro Shimura	Yamanashi	69	LDP	Father	Hiroshi Shimura (Mayor of Otsuki City), Otsuki City
Shinichiro Shimojo	Nagano	75	LDP	Father	Yasumaro Shimojo (Member of the House of Peers; Councilor; Minister of Education), National
Toshimi Kitazawa	Nagano	57	NFP	Father	Sadakazu Kitazawa (Head of Kitanakajima-cho), Nagano City
Yutaka Takeyama	Shizuoka	61	LDP	Father	Yutaro Yakeyama (Minister of Construction; Mayor of Shizuoka City), Third
Juro Saito	Mie	55	LDP	Father	Noboru Saito
Eisuke Kawamoto	Shiga	46	Independent	Father	Kikuzo Komoto (Director General of the National Land Agency; Chairman of the Finnace Committee)
Saburo Komoto	Нуодо	44	LDP	Father	Toshio Kawamoto (Minister of Posts and Telecommunications: Minister of International Trade and Industry), Fourth

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The House of R	Lepresestatives				
Minao Hattori	Nara	50	Independent	Father	Yanushi Hattori (Missister of Posts and Telecommunications: Deputy Cabinet Secretary). National
Isso Marda	Wakayama	52	LDP	Father	Yoshio Maeda (Vic* Chairman Director General of the Science and Technology Agency)
Toranosuke Katayama	Okayama	59	LDP	Father	Masao katayama (Vice Chairman of the Kasaoka City Assembly), Kasaoka City
Norifumi Kato	Okayama	46	LDP	Father	Taketoku Kato (Councilor; Minister of Home Affairs)
Hiroshi Miyazawa	Hiroshima	73	LDP	Father	Hiroshi Miyazawa (Representative). Third
Hideo Putatnugi	Yamaguchi	64	LDP	Father	Kengo Putatsugi (Chairman of the Foreign Affairs Committee Parliamentary Vice-Minister of Finance)
Takeshi Noma	Ehime	61	LDP	Father	Fusayoshi Noma (Prefectural Assemblyman), Imaji City
Osamu Ikeda	Ehime	63	Reform Party	Father	Scitaro Ikeda (Head of Township). Nomura City
Runko Nishioka	Kochi	60	Independent	Father	Tadayoshi Nishioka (Head of Takaoka Township), Tosa City
Teiko Kihirs	Kumamoto	67	Independent	Fether	Hiroe Sasa (Councilor). National
Michiko Ishii	Proportional	62	LDP	Father	Tokujiro Saito (Prefectural Assemblyman; Chairman). Tokorozawa City
Tatauro Shimizu	Proportional	60	LDP	Father	Tatsuo Shimizu (Assemblymas of Sudamo-machi). Sudamo-machi
Manae Kubota	Proportional	70			Kunimatru Kubota (Prefectural Assemblyman)
Tatruo Matsumae	Proportional	68	SDPI	Father	Shigeyoshi Matsumae (Representative), First
Hiroshi Kikusami	Proportional	59	JCP	Father	Kikmami (Representative). Sixth

Long-Term Nuclear Power Plan Viewed

OW0808105995 Tokyo AERA in Japanese 31 Jul 95 pp 20-21

[Article by AERA editorial board member Yukio Uchiyama: "Long-Term Nuclear Power Policy Could Not Last a Year"]

[FBIS Translated Text] "With regard to an advanced thermal demonstration reactor (output approximately 600,000 kilowatts), the Electric Power Development Co.

[EPD] will carry the construction project forward with a goal of starting operation in the early 2000's."

In this way, the Atomic Energy Commission (chaired by Makiko Tanaka, director-general of the Science and Technology Agency) described the advanced thermal reactor (ATR), Japan's first completely domestic reactor for power generation, which is part of a long-term plan for the 21st century drawn up in June last year.

However, the plan did not even last for a year, to say nothing of the 21st century. That is, the plan

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had to be reviewed after the Federation of Electric Power Companies (FEPC) suddenly demanded to stop construction of the ATR on 11 July because "its construction costs are too high."

The Atomic Energy Commission [AEC] is the originator of the ATR. In May 1966, the AEC decided to develop a domestic reactor that could be operated with natural uranium or slightly enriched ore as fuel. That was the ATR.

Boiling water reactors (BWR) and pressurized water reactors (PWR), the current mainstream, are light water reactors. The light water reactor uses ordinary water (light water) as a moderator to slow down the neutrons resulting from nuclear fission and as the coolant for the core. Enriched uranium (3-percent enriched fissionable uranium) is used as fuel.

In contrast, the ATR is a heavy-water-moderated, boiling-light-water-cooled type reactor that uses heavy water (water made of hydrogen that is approximately two times heavier than ordinary hydrogen) as the moderator.

Since neutrons become difficult to absorb when heavy water is used as the moderator, uranium, which normally does not burn, is efficiently converted into plutonium, and the fuel can be burned efficiently. Another advantage of the ATR is that it can be operated with natural uranium (0.7-percent enriched).

Need for Self-Development Promoted ATR

Japan in those days did not have uranium enrichment technology and had to depend on the United States for uranium enrichment; thus the United States had control over Japan's fuel. The ATR was expected to get Japan out of that situation.

The Japanese Government established the Power Reactor and Nuclear Fuel Development Corporation (PNC) in 1967 to develop the ATR and a fast breeder reactor — a nuclear reactor of the future. In 1970, construction of the prototype "Fugen" ATR (in Tsuruga, Fukui Prefecture; output 165,000 kilowatts) began.

In 1978, when "Fugen" was near completion, EPD President Yoshihiko Morozumi announced a plan to introduce a heavy water reactor developed by Canada (Canadian Deuterium Uranium Reactor, CANDU). The Ministry of International Trade and Industry [MITI] was behind this plan.

The Science and Technology Agency [STA] and the PNC raised a strong objection against the scheme: "If this is carried out, the ATR project will be stranded." The so-called CANDU controversy lasted more than a year and a half. The PEPC, consisting of nine electric

power companies, was also opposed to the CANDU, claiming "the costs are high."

In March 1979, while the debate was going on, "Fugen" went into operation and ran smoothly.

The AEC compared the domestic ATR and the CANDU heavy water reactors and rejected the CANDU in August the same year because "the development of Japan's own technology is significant."

After its decision to reject the fierce opposition of MITI and the EPD, the commission's authority rose considerably.

It could be said that these were the best days for the ATR

In 1982, the AEC decided to build a demonstration reactor, which is the next step toward commercial ATR. Then a strange thing happened: the EPD, which used to support the introduction of the CANDU and opposed the ATR, was selected as the main contractor for the ATR. In the background was the delicate relationship between the EPD and the nine electric power firms.

EPD Wants To Operate Nuclear Reactor

The EPD is a national-policy enterprise established by the government in 1952, when the electric power situation was bad, to promote the development of power sources. Because the nine electric power companies gathered strength during and after the period of Japan's high economic growth, however, the EPD became unnecessary. Meanwhile, the EPD wanted to deal with nuclear power generation as well as hydroelectric and thermal power, to ensure the future stability of its business. This led to wrangling over the high-handed attempt to introduce the CANDU reactor.

Partly because of this, when the nine electric power companies were asked by the AEC, "Which company should be the main contractor for the demonstration ATR?" they recommended the EPD.

In a nuclear power policy research report compiled at the end of last year, former ABC Member Takehisa Shimamura, who is well informed about the ATR, described the atmosphere at that time and later:

"There were rumors that the ATR contract was given to the EPD as a toy so that it would not make an unexpected move in the field of atomic energy."

"Probably because the main contractor was changed from the PNC to the EPD, the STA no longer has any enthusiasm about the ATR; and MITI, which replaced the STA as the supervisory body, has been indecisive about the ATR from the beginning. MITI was very

slow to determine its attitude because of the CANDU controversy, and it feared — while it is fine that EPD's longtime dream has come true and it can enter the field of nuclear energy — that the EPD may become an obstacle."

Anyway, the EPD has started working toward constructing the demonstration ATR.

"So far, about 300 employees have been to Omamachi in order to win the understanding of local people regarding the purchase of a site. They helped the people of Omamachi with their fishing and got drunk together at a festival," according to Seigo Mizunuma, section chief of EPD's Atomic Energy Business.

Delay in Negotiations with Local Community

Although the goal set in the government's long-term plan of 1982 was for the "demonstration ATR to start working in around the early 90's," it was May of last year when the acquisition of approximately 130 hectares of land came in sight and fishery compensation negotiations were concluded. Under the present plan, construction of the demonstration ATR will begin in 1998, and the plant will go into operation in 2004. Due to this delay, the situation surrounding the ATR has changed completely.

The very advantage of the ATR — the uranium does not have to be enriched — is no longer valuable because Japan has developed an enrichment technology. The Japan Nuclear Fuel Service Company started operating a uranium enrichment plant in 1992. So the main role of the demonstration ATR has been shifted to burning a mixed plutonium and uranium (MOX) fuel.

The use of MOX fuel has spread among Europe's light water reactors. In addition, in Japan, the Nuclear Safety Commission compiled a report last month in which it says, "up to one third of a light water reactor's fuel can be MOX fuel." Thus the use of MOX fuel is no longer unique to the ATR.

Even if the ATR project is halted, there is no longer any need to change Japan's nuclear fuel cycle program, which uses plutonium. Under these circumstances, a voice was heard even among people concerned with nuclear power development: "The value of the ATR's existence no longer exists."

Program Decided Without Discussion

Since the ATR is newly developed, using Japan's own technology, its costs are high.

While an original estimate for ATR's construction was 396 billion yen in 1984, the expenses the EPD presented this March totalled 580 billion yen. The power

generating cost of the ATR was said to be like that of coal-fueled thermal power plants — 30 percent higher than that of light water reactors — but it has swelled to three times the cost of light water reactors.

The FEPC, which is required to lower electricity rates because of the recession, concluded: "The ATR's construction and generation costs are higher than for light water reactors, and it must be judged that there is no possibility that a commercial ATR will be more economical." Instead of an ATR, it requested a 1.35 million kilowatt advanced light water reactor (ABWR) that burns only MOX fuel.

The AEC will officially decide whether to stop construction after hearing opinions from the persons concerned. Still, the views of the power electric companies, which bear 30 percent of the construction costs and will buy the generated electricity, have to be respected. The EPD, the main contractor, just says, "We would like the policymaking authorities to decide," and it does not seem to set great store by the ATR. While the amount invested in the prototype "Fugen" ATR is 130 billion yen — even after the revenues from electricity generated by "Fugen" are deducted — the path to its commercial use is virtually closed now.

While the AEC is the founder of the ATR, and its authority is said to have been increased by the CANDU controversy, the commission barely discussed the ATR while working out the long-term program that was decided last year.

One of the members of the commission said regretfully, "Actually, we should have reviewed the ATR plan in a way acceptable to the nine electric power companies. However, we could not have an active discussion because the purchase of the ATR site was at a very delicate stage at that time. I never imagined such a drastic proposal would be made. I should be ashamed of my lack of insight."

North Korea

South's 'Smear Campaign' Denounced

SK0808050895 Pyongyang KCNA in English 0455 GMT 8 Aug 95

["Slushy Anti-Communist Campaign" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA)

— The Kim Yong-sam group has launched another antiNorth smear campaign, alleging that a South Korean
pastor was "allured" and "abducted" by the North.

Commenting on this, an analyst of NODONG SINMUN today says:

Rev. An Sung-un defected to the North recently of his own accord to enjoy a worthwhile life, unable to live any longer with national conscience in South Korea, a colony of outside forces. The Kim Yong-sam group, however, is charging the North with "allurement" and "abduction." This is the height of sarcasm and a deliberate plot of the South Korean rulers to seek a way out from the crisis in fostering distrust and confrontation between the North and the South and deteriorating inter-Korean relations.

The puppets, who are used to taking issue with others with lies, are now playing another clumsy drama to be exposed to the ridicule of the public.

Describing South Koreans' defection to the North as "abduction" is an customary practice the South Korean puppets resort to each time they find themselves driven into a tight corner.

The South Korean pupper Agency for National Security Planning (ANSP) directed this childish burlesque to cover up its plan to use the pastor's religionist activities in anti-North plots and lift itself out of the crisis. But such a drama can never work.

As Rev. An exposed, allurement and abduction are proper to the South Korean puppets engaging in fascism, treachery and confrontation. They have nothing to do with the North which has made every possible effort for national reconciliation and unity.

The puppets must promptly stop the anti-North smear campaign.

Christian Group Decries Pak Yong-kil Arrest

SK0808103495 Pyongyang KCNA in English 1025 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — A spokesman for the Central Committee of the Korean Christian Federation in a statement released on August 8 sharply criticised the South Korean ruling quarters for their suppression of presbyter Pak Yong-kil, who went back to South Korea after visiting Pyongyang, as an unbearable insult to all Christians in the North and South considering the justice and mercy to be a noble virtue and as an intolerable challenge to the entire nation desirous of its reconciliation, unity and reunification.

The statement said:

There is no reason to incriminate the Pyongyang visit of Pak Yong-kil, as it was a representation of noble sense of fidelity that stemmed from the particular intimacy forged between the fatherly leader President Kim Ilsong and Rev. Mun Ik-hwan.

What is odious is the fact that the South Korean authorities, while crying for "dialogue" with the North, are suppressing the woman who met us, on the charge of "contacts with members of an anti-state organization".

Without thought of the condition of the 70-year-old woman, they are persecuting her, connecting her with the North. This reveals that they are opposed to the reconciliation and unity with the North and do not want reunification.

The South Korean authorities must stop at once the suppression and persecution of presbyter Pak Yong-kil who is praised as an angel of reunification and a "grandmother of reunification" paving the road of spring for the reunification in the 90s and immediately release her.

Groups Urge Pak's Release

SK0808101695 Pyongyang KCNA in English 1006 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — The Japan headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and the North America-DPRK Friendship Association published statements to condemn the South Korean puppet clique for the arrest of Pak Yong-kil, widow of Rev. Mun Ikhwan, who visited Pyongyang.

The statement of the Japan headquarters of Pomminnyon said that the persecution of Mrs. Pak Yong-kil who visited Pyongyang with a noble aim is an antireunification act to prevent the advance of the nation for national reconciliation and the reunification of the country.

The Kim Yong-sam group should immediately release her, abolish the "National Security Law" and stop suppression of the movement of reunification, demanded the statement.

The statement issued by the North America-DPRK Friendship Association noted that the visit of Mrs. Pak Yong-kil to Pyongyang is a righteous act as an envoy of the South Korean people to honour the memory of the great President Kim Il-song because they could not visit Pyongyang to mourn his death a year ago.

The statement stressed that the Kim Yong-sam "regime" must stop persecution of Mrs. Pak Yong-kil who is patriotic woman and release her without delay.

Kim Hyon-hwan, director of the institute for the study on the independent idea in the United States of America, sent a letter to her and expressed the resolution of the Korean residents in the United States to continue their efforts until her release.

Teachers Demand Punishment of Kwangju 'Culprits'

SK0708150695 Pyongyang KCNA in English 1500 GMT 7 Aug 95

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — 354 professors of Choson University in Kwangju, South Korea, jointly published a statement on Saturday urging the punishment of the culprits of the May 18 Kwangju massacre, a radio report from Seoul said.

They demanded enactment of laws and prosecution system for the punishment of the killers and declared that they would actively participate in the struggles which have been launched by different organizations to urge lawsuits against those related to the massacre.

On the same day, professors of seven universities in Inchon and Kyonggi Province and 86 professors of Wongwang University in North Cholla Province issued statements protesting against a decision not to charge the main culprits of the massacre.

Prisoners in South Launch Hunger Strike

SK0808101895 Pyongyang KCNA in English 1008 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — 465 prisoners of conscience in 32 prisons across South Korea, including Kim Son-myong, a 44-year-long prisoner, the longest ever in the world, launched an indefinite hunger strike on August 7 in demand of release of prisoners of conscience and repeal of the "National Security Law", a Seoul-based radio said.

The family movement for realizing democracy said prisoners of conscience, victims of division and military dictatorship, are still suffering in solitary cells smaller than one-square-metre room, adding that the hunger strike would go on for an indefinite period until all of them are released.

Preparatory Committee for Festival Meets

SK0708052495 Pyongyang KCNA in English 0514 GMT 7 Aug 95

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA)

— The 22nd meeting of the North side Preparatory
Committee for the Grand National Reunification Festival celebrating the 50th anniversary of the liberation
of the country took place in Pyongyang on August 6.

The meeting summed up preparations for the festival at the final stage and discussed measures to successfully sponsor the festival of August 15.

It noted that the North side preparatory committee extensively pushed ahead with its work in accordance with the ardent desire of all the fellow countrymen for reunification as the day of the festival of August 15 is drawing near. The preparations for the festival have been finished in the main under the concern and support of the nation, it added.

It deliberated on the program of the joint event at Panmunjom to be held during the festival and its details and finally confirmed programs of the events slated in the areas of the North side.

Holds News Conference

SK0708222195 Pyongyang KCNA in English 1518 GMT 7 Aug 95

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — The North side preparatory committee of a grand national reunification festival celebrating the 50th anniversary of the country's liberation called a press conference at the People's Palace of Culture today to brief reporters on the preparations of the August 15 festival.

Paek In-chun, chairman of the Central Committee of the General Federation of the Unions of Literature and Art of Korea and vice-chairman of the North side preparatory committee, made a speech at the press conference.

He said the festival, the first of its kind since the nation was divided 50 years ago, will be a patriotic and reunification-oriented event which will make a breakthrough and open a new turning point in achieving national reunification by pooling the efforts of the Koreans living separated in the North, the South and overseas.

He further said:

"The preparations of the festival have been completed amid nationwide concern and support so that Panmunjom is waiting for the participants with newly furnished meeting halls, stages for cultural and art activities, exhibition places and parking lots.

"The North side preparatory committee fully agreed with the South and overseas committees on the period and places of the festival, form and way of the event and other detailed matters concerning the festival".

He told newsmen the North side preparatory committee has taken every detailed measure—selection of North side delegates to the festival, issue of invitation cards to South and overseas Koreans and foreign guests of honour, reception for them, guarantee of their safety and board and lodging.

He added that the committee has finally defined the program of events scheduled to be held in the North side region. He informed newsmen that the South side preparatory committee has made every possible effort to nullify the authorities' "prohibition" and carry out the joint program at Panmunjom. The overseas preparatory committee, he continued, has made tangible contributions to the preparations for success in the festival, including selection and dispatch of delegates.

No one can block the fierce current of the nation toward reunification, he said, adding that the festival will be held successfully without fail on the 50th anniversary of national liberation.

Then, he answered questions put by reporters.

South Students Urged To Struggle for Festival

SK0808011095 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 7 Aug 95

[Unattributed talk from the "Program for South Korean Youths and Students": "Holding High the Beaconfire of Struggle Before Others"]

[FBIS Translated Text] South Korean youths and students love justice and are filled with patriotism.

The day of grand national reunification festival on the 50th anniversary of national liberation is approaching.

In order to successfully hold the grand national reunification festival on the 50th anniversary of national liberation, which will be an epoch-making momentum for opening a decisive phase on the path toward national reunification, the vigorous and courageous youths and students should hold high the banner of struggle before others.

The great leader Comrade Kim Il-song has taught: South Korean youths and students, who are heroically fighting by unhesitatingly dedicating their precious youth to independence, democracy, and national reunification, are the pride of our nation.

Youths are the standard-bearers of national reunification, and youths and students are the driving force in the national reunification movement. Youths and students promoted the 19 April uprising, they played the main role in the Kwangju popular uprising, and were the standard-bearers of the June resistance struggle.

During the fifth pannational rally held in Seoul last August, the South Korean youths and students played the key, vanguard role. However, the South Korean puppets' maneuvers to block the fifth Seoul pannational rally were unprecedentedly atrocious and persistent.

With the fellow countrymen's misfortune as an occasion, the Kim Yong-sam group perpetrated a fascist oppressive rule in a bid to obliterate the patriotic reunification democratic forces, including the people who believe in the chuche idea and who mourned over the death of the father of the nation, and directed the spearhead of its oppression to blocking the fifth Seoul pannational rally.

Branding the pannational rally as an illegal event, the rascals mercilessly arrested and suppressed the youths, students, and people who were going to hold the rally, including members of the South side headquarters, for promoting the pannational rally.

Furthermore, the puppets bloodily trampled Seoul University—where the fifth pannational rally was to be held—by mobilizing a police force of over 10,000, armored cars that fired tear gas, and even a helicopter, thus committing cruel and barbarous acts without hesitation.

Nevertheless, the South Korean youths, students, and people held the fifth pannational rally by resisting the fascist clique's barbarous oppression with guns and bayonets. Thus, they frightened the anti-reunification separatists, and fully demonstrated their surging will to achieve national reunification by all means.

Confronting the puppet police rascals who ran wild by firing tear gas in a bid to break up the fifth pannational rally, the South Korean youths and students waged fierce offensive and defensive battles. A number of participants in the rally fell, shedding blood, and were arrested. However, the youths and students courageously held the meeting amid fierce, bloody fighting without retreating even a step.

Despite the Kim Yong-sam group's merciless and cruel oppression, the South Korean youths and students took the initiative in successfully holding the fifth pannational rally, and thus fully demonstrated their spirit as wise, courageous, and vigorous Korean youths.

Even today, the South Korean youths and students are playing the key and vanguard role in the struggle for independence, democracy and reunification.

The role to be played by South Korean youths and students in successfully holding the grand national reunification festival on the 50th anniversary of national liberation is indeed great and important.

It is even truer under the condition that the Kim Yongsam group is maneuvering to frustrate the reunification festival by all means after putting forward the socalled the policy of not permitting the grand national reunification festival on the 50th anniversary of national liberation.

Only when the rascals' antireunification maneuvers, which are growing more vicious each day, are smashed

thoroughly, can we hold the grand reunification festival successfully according to the aspiration and desire of all fellow countrymen.

Reunification in the nineties is an inviolable timetable and the ability to hold the grand national reunification festival on the 50th anniversary of national liberation is a key issue as to whether our nation can keep the reunification timetable declared to the world.

South Korean youths and students, who are experiencing the nation's misfortune and pains after being born in a divided country, should keenly realize the lofty mission assigned by the nation and history and should play the vanguard role in the struggle to realize the grand national reunification festival on the 50th anniversary of national liberation.

Unity is the key for victory. South Korean youths and students should stand at the vanguard of the struggle to successfully hold the grand national reunification festival in firm unity around the National Federation of General Student Associations, their vanguard organization. Thus, they will again demonstrate our people's unswerving will for reunification to the entire world and will brilliantly decorate this year as a historic year of declaring the new start of the era of reunification.

Overseas Groups Express Support for Festival SK0708102695 Pyongyang KCNA in English 1010 GMT 7 Aug 95

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — The European regional headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and organisations of overseas Koreans in their letters addressed to the national preparatory committee for the grand national reunification festival celebrating the 50th anniversary of the liberation of the country evinced their determination to do their best to hold the August 15 festival successfully.

The letter from the European regional headquarters of Pomminnyon said that a grand seminar on reunification and a grand national conference, joint ceremonies of the festival, will give representatives of the nation a historical opportunity to agree on a common way of reunification.

The letter from the General Association of Korean Residents in China expressed the conviction that the forthcoming festival will make a breakthrough in reunification.

Our association and all the Korean residents in China will strive to successfully hold the festival, the letter stressed. The association of Korean Christians overseas for national reunification in a letter declared that proreunification forces at home and abroad will completely frustrate the moves of the anti- reunification forces against the August 15 grand national reunification festival.

Foreign Leaders Support Korean People's Cause SK0508151295 Pyongyang KCNA in English 1502 GMT 5 Aug 95

[FBIS Transcribed Text] Pyongyang, August 10 (KCNA) — A. A. Moroz, chairman of the Supreme Soviet of Ukraine and chairman of the Ukrainian Socialist Party, when he met the delegation of the Workers' Party of Korea on July 31, said it is under the leadership of the great leader Comrade Kim Chong-il who is inheriting and accomplishing the cause of the great leader Comrade Kim Il-song that the Workers' Party and people of Korea are advancing without vacillation even in the face of the manoeuvres of the foreign forces.

He expressed the belief that the Korean people will drive out all foreign forces from South Korea and surely reunify the country in accordance with the proposal for national reunification put forward by Comrade Kim Ilsong.

Rafael Aguilar, national chairman of the Central Committee of the Lazaro Cardenas Front Party for National Reconstruction of Mexico, on August 1 met the Korean ambassador and wholeheartedly hoped that under the wise leadership of Comrade Kim Chong-il, their supreme leader, the Korean people will achieve a brilliant victory in their efforts for the socialist construction and national reunification true to the intention of the great leader Comrade Kim Il-song in his lifetime.

Foreign Groups Show Solidarity

SK0408215195 Pyongyang KCNA in English 1506 GMT 4 Aug 95

[FBIS Transcribed Text] Pyongyang, August 4 (KCNA)
— Solidarity meetings were recently held in Romania,
Tanzania, Russia and Ethiopia to mark the anniversary
of the Korean people's victory in the great fatherland
liberation war.

Vasile Budriga [name as received], chairman of the Romanian National Committee for Solidarity With the Korean People's Struggle for National Reunification, spoke at a meeting in Romania.

He said the Korean people's great victory in the war showed that no one can block the people's struggle for justice. "Today the Korean people are fighting to reunify the country under the 10-point programme of the great unity of the whole nation," he said, urging the South Korean authorities to renounce the "National Security Law" and pull down the concrete wall without delay.

E.S. Bush, chairperson of the Tanzanian National Coordinating Committee of Chuche Idea Study Groups, in her speech at a meeting in Tanzania demanded the United States promptly respond to the DPRK-proposed establishment of a new peace guarantee system.

A letter to the great leader Comrade Kim Chong-il was adopted at a meeting at the Addis Ababa, Ethiopia, group for the study of the chuche idea.

Union Group Urges Destruction of 'Korean Wall'

SK0808053095 Pyongyung KCNA in English 0430 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — A message demanding execution of the resolution of the 30th session of the UN General Assembly was sent to secretary general of the UN Butrus Butrus-Ghali by the delegation of the World Federation of Trade Unions [WFTU] including WFTU president and chairman of the General Centre of the Brazilian Workers Antonio Neto, WFTU secretary general Alexandr Jarikov and WFTU vice-president and general secretary of the Senegalese Workers' Union Dijibril Diop.

The message dated August 2 noted that the delegation of the WFTU called at the Demarcation Line, which divides Korea into North and South, to celebrate the end of the Korean war on July 27, 1995 and that the Korean wall should be destroyed today when the Berlin wall has been destroyed.

The message urged the secretary general of the UN to execute the resolution of the 30th session of the UN General Assembly on dissolution of the "UN Forces Command" and withdrawal of all foreign troops from South Korea as a concrete step for the reunincation of Korea.

Pak Song-chol Meets Nepalese Minister

SK0808053695 Pyongyang KCNA in English 0445 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — Vice-President Pak Song-chol met and had a friendly conversation with the government information and communications delegation of Nepal led by Minister of Information and Communications Pradip Nepal at the Mansudae Assembly Hall on August 7.

The head of the delegation said that the Korean people made great achievements in the building of socialism in a short span of time.

With no force can the imperialists break the will of the Korean people who are stubbornly struggling for the reunification of their country, he said, and stressed:

The Nepalese people will always actively support the reunification proposals advanced by President Kim Ilsong.

Vice Premier Chang Chol Meets Egyptians

SK0808055195 Pyongyang KCNA in English 0447 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — Vice-premier Chang Chol, who is also Minister of Culture and Art, met and had a friendly conversation with the visiting Egyptian film delegation led by Khalil 'Abd-al-Mun'im Khalil, director of the festival department of the Ministry of Culture of Egypt, at the Mansudae Assembly Hall on August 7.

Present there were Vice-minister of Culture and Art Kim Yong-sin and Egyptian Ambassador to Korea 'Ali al-Mutawalli Hijazi.

Belgian Labor Party Delegation Arrives

SK0808060595 Pyongyang KCNA in English 0446 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA)

— A delegation of the Belgium-Korea Solidarity Committee headed by Van Hemel Joseph Gerard, member of the Central Committee of the Belgian Labour Party, arrived in Pyongyang on August 7.

28th Anniversary of ASEAN Marked

SK0808101395 Pyongyang KCNA in English 1002 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — NODONG SINMUN today dedicates a signed article to the 28th anniversary of the foundation of the Association of Southeast Asian Nations (August 8, 1967).

Noting that now ASEAN has entered a new stage of its development, the paper says that the Korean people are sincerely rejoiced over the achievements made by ASEAN.

The paper says:

ASEAN has played an important role in the work for many-sided cooperation between countries, coprosperity and development, peace and security in the region since its founding. ASEAN has actively striven to establish a free trade zone and to develop cooperation through it.

ASEAN has pushed ahead with the establishment of a free trade zone of ASEAN and striven to form the "East Asian Economic Council" involving the East Asian countries.

ASEAN countries have made efforts to raise the voices of ASEAN on the international political arena and to guarantee regional security by joint efforts.

To unite, expand and develop cooperation with the Asian people on the basis of independence is a consistent stand of our Republic.

The Korean people will further strengthen the unity and cooperation with peoples of ASEAN countries in accordance with the idea of independence, peace and friendship.

Kim Chong-il Meets KPA Functionaries

SK0708225995 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 7 Aug 95

[FBIS Translated Text] The great leader [yongdoja] of our party and people Comrade Kim Chong-il met with and congratulated participants in the meeting of the training functionaries of the Korean People's Army [KPA]. On 6 August, the great leader of our party and people Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and KPA supreme commander, met with and congratulated the participants in the meeting of the KPA training functionaries.

When KPA Supreme Commander Comrade Kim Chong-il entered the venue for photograph, the meeting participants presented storms of hurrah and enthusiastically welcomed him, shouting such revolutionary and militant slogans as "Kim Chong-il," "Single-hearted unity," and "Let us devote our lives to fight for the respected and beloved comrade supreme commander!"

Comrade Choe Kwang, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK], vice chairman of the DPRK National Defense Commission, and KPA chief of the general staff; KPA Vice Marshal Kim Kwang-chin and General Yi Hail, members of the WPK Central Military Commission and the DPRK National Defense Commission; General Yi Pong-won, Gen. Kim Myong-kuk, and Gen. O Yong-pang, members of the WPK Central Military Commission; KPA Colonel General Kim Chong-kak, Col. Gen. Kim Ha-kyu, Col. Gen. Pak Chae-kyong, and other KPA general-grade officers attended the meeting.

Comrade Kim Chong-il congratulated the participants of the meeting, who greatly contributed to strengthening the combat capabilities of the People's Army by upholding the party's training-first policy and by bringing up all soldiers as one-is-a-match-for-a-hundred fighters, and took a commemorative picture with them. Comrade Kim Chong-il raised his hand high to answer the resounding applause of the meeting participants, who are overwhelmed with deep gratitude and emotion, and expressed his firm faith that they will thoroughly implement the party's five major policies and four major principles on training, achieve innovations in combat and political training, and further strengthen our People's Army into the main force for achieving the fatherland reunification and the chuche revolutionary cause.

All participants in the meeting were filled with the firm resolution to uphold the leadership of the respected and beloved Supreme Commander Comrade Kim Chongil, further strengthen the People's Army into matchless combat ranks by marking a new turn in combat and political training, and firmly defend the prosperity of our country and fatherland and the great gains of socialism with revolutionary rifles.

Replies to Foreign Leaders

SK0808060395 Pyongyang KCNA in English 0440 GMT 8 Aug 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA)

— The great leader Comrade Kim Chong-il sent messages to foreign state and party leaders in reply to their messages on the occasion of the first death anniversary of the great leader President Kim Il-song.

Among them are Bizimungu Pasteur, president of the Republic of Rwanda; President Man Mohan Adhikari and General Secretary Madhav Kumar Nepal of the Central Committee of the Nepal Communist Party (United Marxism-Leninism); Narayan Man Bijukchhe, chairman of the Central Committee of the Nepal Worker-Peasant Party; Krishna Prasad Battaray, president of the Central Executive Committee of the Nepali Congrss Party; B. Dashyondon, general secretary of the Mongolian People's Revolutionary Party; H.S. Surject, general secretary of the Central Committee of the Communist Party of India (Marxism); Indraiit Gupta, general secretary of the National Council of the Communist Party of India; Chairman Tomiichi Murayama and Secretary General Wadaru Kubo of the Central Executive Committee of the Japan Social-Democratic Party; Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam; Roland Atta-Kesson, national chairman

of the National Convention Party of Ghana; Huudu Yahaya, general secretary of the National Democratic Congress of Ghana; El Hadi Boubacar Biro Diallo, general secretary of the Party for Unity and Progress of Guinea: Mamadou El Bechir Gologo, secretary general of the National Direction Committee of the Sudanese Union-African Democratic Rally in Mali; Ibrahima N'diaye, secretary general of the executive committee of the African Party for the Solidarity and Justice of Mali: Carlos Dias Da Graca, general secretary of the Liberation Movement-Social Democratic Party of Sao Tome and Principe; Otete Gaston Mboyo, national chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire; Ngoy Nduba, secretary general of the Lumumba Democratic Party of Zaire; Dama Dramani, general secretary of the Togolese People's Rally; Daniel Ortega Saavedra, secretary general of the Sandinist National Liberation Front of Nicaragua; Joao Amazonas, chairman of the Central Committee of the Brazilian Communist Party; Claudio Campos, secretary general of the October 8 Revolutionary Movement of Brazil; Chairman Victor Sanchez Bilagra and General Secretary Ricardo Esti Garribia of the February Revolutionary Party of Paraguay; Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru; Chairman Genaro Ledesma Izquieta and National Organisational Secretary Eleazar Ramos Roarte of the People's Front of Workers, Peasants and Students of Peru; and Alberto Moreno, general secretary of the Central Committee of the Communist Party of Peru (Red Motherland).

Comrade Kim Chong-il also sent reply messages to Director General Shuhachi Inoue and Secretary General Kenichi Ogami of the International Institute of the Chuche Idea, Bishwanas, secretary general of "International Kim Il-song Prize Council", T.B. Mukherjee, director general of the Asian Regional Institute of the Chuche Idea, and Shin Kanemaru of Japan.

In the messages, Comrade Kim Chong-il expressed deep thanks to them for their messages honouring the memory of the great leader President Kim Il-song on the occasion of his first death anniversary.

He expressed the conviction that the friendly and cooperative relations between the DPRK and the above-said countries and between the Workers' Party of Korea and the above-mentioned parties would grow stronger and develop.

Thanked by Tanzanian Party

SK0808060495 Pyongyang KCNA in English 0450 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA)

— The great leader Comrade Kim Chong-il received a
message of thanks from Lawrence Mtazama Gama, general secretary of the Revolutionary Party of Tanzania.

The message says that the Revolutionary Party of Tanzania extends highest honour and thanks to Comrade Kim Chong-il for his great love and care for the wonderful construction of the chimwaga conference complex in Tanzania, a symbol of the development of the friendly relations between Tanzania and Korea.

The complex has been built more wonderfully as a world-famous hall thanks to the wise leadership of Comrade Kim Chong-il and the active and sincere efforts and technique of the Korean technicians so that it can successfully ensure a special congress of the party, the message adds.

ROK Troops Feel 'Reverence' for Kim Chong-il SK0708103595 Pyongyang KCNA in English 1021 GMT 7 Aug 95

["General Kim Chong-il, Peerless Brilliant Commander"

— KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — Feelings of reverence for the great leader President Kim Il-song and General Kim Chong-il, supreme commander of the Korean People's Army, were expressed at units of the puppet army of South Korea and among former generals of the puppet army on the occasion of the 42nd anniversary of the victory of the Korean people in the great fatherland liberation war, according to radio Voice of National Salvation from Seoul.

Copies of literature in the name of the committee of patriotic soldiers were scattered at barracks and posts of units under the 27th division of the puppet army.

Printed on the face of the literature is a color picture of General Kim Chong-il wearing the cap and uniform of marshal.

Supreme Commander Kim Chong-il fully inherited the military gifts of General Kim Il-song, a legendary hero of the anti-Japanese struggle, and authored a scientific military idea and theory, the chuche-based theory on army building and strategies by avidly reading records on world history of war and books on war science already in his twenties. He is, indeed, a peerless commander of the Army and an outstanding military genius who has strengthened the Korean People's Army

into an invincible one, each soldier of which is a match for a hundred foes.

A retired general of South Korea, Pak Man-su, said at a meeting with his former colleagues on July 27:

Though it was a few years old, the People's Army humbled the U.S. which boasted of being the "mightiest" in the world and made them affix their seal to the document of surrender. This was entirely a result of the superb military tactics and commanding art of President Kim Il-song.

General Kim Chong-il with literary and military accomplishments is a peerless brilliant commander who fully inherited the military intelligence, distinguished theory on army building and tactics and strategies of President Kim Il-song.

If the U.S. imperialists start a war against the North, oblivious of their lesson in the June 25 war, they will be completely defeated by the Korean People's Army which has grown to be an invincible Army each of whose members is a match for a hundred foes.

Kim Chong-il Portrayed as 'Peerless Patriot'

952C0128A Pyongyang NODONG SINMUN in Korean 13 Feb 95 p 2

[Article by No Yong: "A Peerless Patriot Adding Infinite Luster to His Country, His Fatherland"]

[FBIS Translated Text] The path of revolution is a path of patriotism. The path of struggle which the great leader of a people fights through is embroidered with ardent, patriotic passion and devotion.

The history of the revolutionary activities of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, who inherited and has developed chuche's revolutionary cause, is the history of the sacred struggle of a peerless patriot who has glorified his country, his fatherland, devoting everything in his power to the country and the people.

The noble intent and will of the respected and beloved Comrade Kim Chong-il as a patriot with no parallel in history is vividly reflected in his hand-written letter sent to all the people at the very beginning of this year.

"Let us work dynamically in one and the same mind to make our country, our fatherland, richer and stronger, in a manner worthy of the warriors of the great leader, the disciples of the great leader, that we are."

To make our country, our fatherland, richer and stronger is the patriotic cause the great leader [yongdoja] Comrade Kim Chong-il sees as his lifelong mission. All the thoughts and activities of the respected and beloved Comrade Kim Chong-il—who is brilliantly carrying forward the will and the great cause of the fatherly leader are focused precisely on fulfilling this sacred mission.

The noble features of the leadership of the great leader [yongdoja] Comrade Kim Chong-il—who, with the strongest patriotic will, leads the building of a richer and stronger fatherland—are moving our people forcefully, inspiring them to vigorous struggles to add luster to their fatherland.

I.

Patriotism is the most sublime ideological sentiment of a people.

For a people, nothing can be more precious than their country, their homeland. For them, the homeland is their true mother, their lifeline that they cannot live apart from for even a single day, and the cradle promising everlasting happiness for their posterity. The sentiment of seeing the benevolent fatherland as more important than one's own life and loving it ardently is called patriotism. Those who devote themselves to making the fatherland richer and stronger with this sublime sentiment are called patriots.

Of all individuals' sentiments of patriotism and devotion to their people, most ardent and sublime is the love for the fatherland held by a great leader as the father of the people.

The leader of the people is responsible for the his country's destiny and for the life, death, and fate of his people. Because of his sense of responsibility for the important mission, the leader would display a patriotic passion and devotion that no one can match. The patriotism held by a great leader is strongest and immutable in any touch-and-go situation confronting his country and people. It is unshakable in the face of any gigantic national tasks. This resolutely patriotic will is the driving force that stirs his people to launch the struggle to enrich and strengthen their country, their fatherland, vigorously and unanimously. The patriotic will of a leader can be said to be the loftiest spirit and the essence of all sentiments of devotion to the country and the people found in the hearts of a people.

Today, thanks to the ardent patriotism of the great leader [yongdoja] Comrade Kim Chong-il, our country, our fatherland, is steadily walking the path of prosperity.

The patriotic will of the respected and beloved Comrade Kim Chong-il represents his strong sense of responsibility for leading the Korean revolution through to the end, taking upon himself all problems facing the fatherland

and the people, large and small. It represents his unparalleled devotion to the cause for a richer and stronger country, a richer and stronger fatherland for which he is exerting every effort day and night. It represents his resolute fighting spirit that know no compromise or concession as far as issues bearing on the dignity of the fatherland are concerned. His resoluteness is reminiscent of the patriotic mettle of Kim Hyong-chik, the indomitable revolutionary fighter who early on pioneered the path to national liberation, bearing in his heart the great motto "Don't forsake your noble aspiration." His devotion is reminiscent of the ardent patriotic passion of the fatherly leader who never quit his on-the-spot guidance tour for the future of a rich and strong fatherland, in the same spirit as in his anti-Japanese campaign days when he fought through the sea of blood.

The great leader [yongdoja] Comrade Kim Chong-il's hand-written letter to the people urging them to make their country, their fatherland, richer and stronger is an immortal condensation of his ardent, patriotic mettle and passion.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"It is my firm resolution to make my country, my fatherland, richer and stronger."

Adding infinite luster to our country, our fatherland, was the will of the great leader Comrade Kim Il-song. It was the great cause to which he devoted his life. It is for protecting and promoting the self-dependence of the masses of people and the self-reliance of the country and the people. The great leader devoted himself to the struggle for this great, lofty cause until the last moment of his life. He left our side, leaving his earnest expectation that our people will continue to add infinite luster to their country, their fatherland. Firm and indefatigable is the resolution and will of the respected and beloved Comrade Kim Chong-il to carry forward the great patriotic will of the fatherly leader and his great cause, through to the end. The deeply significant letter the great leader [vongdoja] Comrade Kim Chongil sent to all the people was a reflection of this firmest pledge and resolution he had made to the fatherly leader.

To keep working dynamically to make our country, our fatherland, richer and stronger means devoting all our resources, wisdom, and energy to the struggle to add luster to our country, our fatherland—which takes pride in its long history and which has become a renowned success story of chuche—as a country of chuche shining with the revered name of the fatherly leader, and as a socialist power thriving with the socialist new life that is most superior. In other words, it means exerting ourselves wholeheartedly and with undivided attention

to build a growing and prospering fatherland, with firm confidence in and a great ambition for the bright future of our country, our fatherland, that has the great leader Comrade Kim Il-song as the sun of chuche forever. It means having the extraordinary resolution and unsurpassed devotion to lay down our lives in the sacred struggle for the interests of our country, our fatherland. It is an intensive manifestation of the precise and thorough view of the fatherland which the great leader [yongdoja] Comrade Kim Chong-il has carried as a natural gift and has firmed into a faith through his long revolutionary career. Only our respected and beloved Comrade Kim Chong-il-who early on nurtured his great patriotic ambition in the snow and icy-cold wind of Mt. Paektu, who, on Mt. Yongnam, made a firm pledge to the rising sun to add luster to the fatherland, and who has been leading the struggle for the prosperity and reunification of the fatherland at its helm-could send such a noble and patriotic hand-written letter to the people as he did.

The great leader [yongdoja] Comrade Kim Chong-il's letter calls on the people to press ahead with work to make our country, our fatherland, richer and stronger is an immortal, militant banner epitomizing his farreaching plan and blueprint for the building of the fatherland.

Embodied in it is, above all, the plan and intent of the great leader [yongdoja] Comrade Kim Chong-il for adding luster to our country, our fatherland, forever as the Korea of the great Kim Il-song people.

What we refer to as our country means the Korea of chuche, where the Kim Il-song people live.

Our people, who have lived on the same land and maintained the national bloodline through all these centuries, attained the highest stage of prosperity in the glorious decades under the leadership of the great leader Comrade Kim Il-song. As Tangun was the founder of the Korean nation, the great leader was the founder of today's growing and prospering socialist Korea.

The great leader Comrade Kim Il-song—who early on started out on the path of revolution with a firm, patriotic will to save the country from suffering under Japanese colonial rule—fought bloody battles against the Japanese to accomplish the historic cause of national liberation, built a powerful state of self-dependence, self-support, and self-reliant defense on the war-torn land, and unfurled a new era of greatest prosperity on it. Thus, for the first time in its long history, by having the fatherly leader our Korea began shining the world over, and our people began displaying their superior national characters at the highest plane.

The fatherly leader regained and rebuilt our country for us. It is the indomitable will of the respected and beloved Comrade Kim Chong-il to make that country a great, powerful state forever shining with the Leader's revered name, and an eternal country of the Kim Il-song people. In the plan of the great leader [vongdoia] Comrade Kim Chong-il, our country is precisely a country dyed one color, the color of the revolutionary ideology of the fatherly leader. It is a country prospering and developing uninterruptedly based on the leader's revolutionary accomplishments, and an eternal, immortal country upholding the leader forever as the father of the nation under the slogan of loyalty "The great leader Comrade Kim Il-song is with us forever." Because of that noble intent and plan, the hand-written letter of the respected and beloved Comrade Kim Chong-il has powerfully captivated the hearts of our people, who are resolved to live and fight like the warriors of the leader, the disciples of the leader, that they are.

Also contained in the letter is the great leader [yongdoja] Comrade Kim Chong-il's plan and intent to continue to lead our fatherland on the one road of socialism, the road of genuine growth and prosperity, and thus to demonstrate the mettle of our fatherland as the socialist fatherland of chuche.

What we refer to as our fatherland means the growing and prospering socialist fatherland.

Socialism is a lofty ideology that enables a country and its people to grow and prosper permanently. Now that history has proved that the capitalist road leads to all sorts of injustice, poverty, national enslavement and decline, there is no road other than the socialist road leading to the enrichment and strengthening of a country.

Our people have been accelerating the historic cause of our way of socialism over a long period under the high banner of chuche. In those days our fatherland and socialism have become inseparable. By advancing under the lofty banner of socialism based on chuche, they built the most advanced socialist system that our people had yearned for and that mankind had looked forward to eagerly. They have incomparably strengthened the political, economic and military power of the fatherland. It is because our socialist ideology is correct and has taken firm root in its earth that our fatherland today is vigorously advancing on the sole road of growth and prosperity despite the persistent pressures and vicious, aggressive maneuvers by imperialists. To move forward on the socialist road without wavering is the way for us to love our fatherland ardently and build a rich country with a strong army. This is the precious truth established firmly through the prolonged, arduous struggle of our people for the prosperity of the fatherland.

It is the great leader [yongdoja] Comrade Kim Chongil's firm will, based on his devotion to the country and the people, to ensure that the annals of our fatherland will, in the future, too, be a chronicle of victory and glory making its dignity and honor as the socialist fatherland of chuche felt globally. As being designed and built by the respected and beloved Comrade Kim Chong-il, our fatherland is a people's paradise where the people's civilized, happy life blooms in fuller blossom to meet their socialist demands. It is a prospering fatherland where there are no class differences and the socialist ideology has emerged completely triumphant. It is a utopia of mankind that, as a forerunner of the times, hews its way to communism. Today our party, adhering to its revolutionary economic strategies, is waging vigorous struggles to improve the people's living standardsin order to build such a great fatherland. Also, it is unceasingly building up its selfreliant defensive power to guarantee the enrichment and strengthening of the fatherland with the force of arms.

Indeed, embodied in the great leader [yongdoja] Comrade Kim Chong-il's ideology on making our country, our fatherland, richer and stronger is his noble intent to add luster to our fatherland as the fatherland of chuche where the masses of people are the masters and where everything serves the people, and as a people's paradise where the people's position and dignity has reached the highest plane. His hand-written letter reflects this great plan of his. Precisely for that reason, it is an immortal, militant banner giving strong impetus to an age in which the chuche ideology is emerging victorious ultimately, a glorious age carrying the revered name of the great Comrade Kim Chong-il.

The patriotic resolution and will of the great leader, who left home saying he would not return until Korea regained its independence, had earlier brought the spring of liberation to the fatherland. Likewise, the ardent patriotism of the respected and beloved Comrade Kim Chong-il will serve as the driving force taking our fatherland to the brilliant future.

II.

The respected and beloved Comrade Kim Chong-il is a great leader leading the solemn march of our people toward the enrichment and strengthening of our country, our fatherland, along the way of sure victory.

The great leader Comrade Kim Il-song taught:

"Whatever Comrade Kim Chong-il thinks needs to be done for the fatherland and the people, he will do it at all costs, no matter what." Today, our people and personnel of the Korean People's Army [KPA] are vigorously accelerating their march to make 1995 a year of feats for big advances in the struggle for the enrichment, strengthening, and development of our country, our fatherland, and a year of victory to make the high dignity of the growing and prospering fatherland of socialism felt globally. Our great leader [yongdoja] Comrade Kim Chong-il stands at the head of this vigorous, historic march, launched in unison by the entire party, people, and army.

The leadership of the respected and beloved Comrade Kim Chong-il is the ever-victorious leadership that brilliantly resolves any problems arising on the way to the enrichment, strengthening, and development of the fatherland.

Most important about the great leader [yongdoja] Comrade Kim Chong-il's leadership to make our country, our fatherland, richer and stronger is the fact that he, with a firm posture of loyalty and filial piety, is that he is thoroughly carrying through the fatherly leader's teachings on building a growing and prospering fatherland.

The leader's ideology and intent is the eternal guideline for the enrichment, strengthening, and development of the fatherland. A new epoch of the socialist fatherland is opened by the leader of the working class, and a grand blueprint of it is also provided by the leader. Embodying our leader's ideology and intent is the path to the prosperity of our country, our fatherland.

Precisely for this reason, true patriotism is in itself loyalty and piety to the leader. A true patriot is a loyalist who upholds his leader to the end. When the national sentiment of patriotism is sublimated and solidified into the revolutionary spirit of faithfulness, that patriotism becomes the loftiest and most fervent. This is the view about patriotism elucidated and embodied in person by the respected and beloved Comrade Kim Chong-il, precisely and thoroughly.

To endlessly make our country, our fatherland richer, stronger and more developed was the greatest desire of the great leader Comrade Kim Il-song in his lifetime. Based on the immortal chuche ideology, the great leader Comrade Kim Il-song clearly elucidated ideas, theories, and guidelines for the socialist fatherland to grow and prosper generation after generation. Listed therein clearly and comprehensively are the basic directions and principles for achieving the enrichment, strengthening, and development of the fatherland, and all the lines and policies of nature remaking, social reform, and human remolding, as well as the specific tasks in each and every area of the revolution and construction.

Firmly adhering to and carrying out most thoroughly the great leader's historic teachings is the right way to enrich, strengthen and develop our country, our fatherland, which is the crystallization of the leader's lifelong labors. Thus it is the right way to be loyal to the leader. This is the firm, unswerving position of the great leader [yongdoja] Comrade Kim Chong-il. For instance, he showed this noble position when he had functionaries visit the Chonchon County Commercial Office, Maengsan County, the Yonback plain, and other sites of the fatherly leader's on-the-spot guidance to make all the party members and working people learn from their examples, and when he made sure that the leader's instructions concerning the rebuilding of the Tangun Mausoleum were followed faithfully and at the highest possible levels. Today, the respected and beloved Comrade Kim Chong-il continues to lead party organizations, functionaries and working people in agriculture, light industry, foreign trade, and in the preceding sectors and all other sectors of the people's economy, to accomplish the tasks listed in the great leader's teachings, absolutely without fail.

For a long period, our people have lived with the firm faith that the fatherland is for them the bosom of the fatherly leader. For them, the heartbeat of the fatherland has been his will; and the dignity and authority of the fatherland has been his high authority. As long as we are in the warm guiding hand of the great leader [yongdoja] Comrade Kim Chong-il, our fatherland will forever remain the bosom of the fatherly leader, and the grand blueprint for the building of the fatherland unfurled by the leader with deep foresight will be carried out brilliantly on this land.

Also important about the great leader [yongdoja] Comrade Kim Chong-il's leadership is that it is dedicated to achieving national growth and prosperity through and through in our way. Under the circumstances where all countries and peoples have their way of life and their national borders, it is only natural that they should work on their own to enrich, strengthen, and develop their fatherland in a way suited to their realities. Nothing could be more foolish than ignoring this stark fact and trying to achieve national growth and prosperity by relying on foreign experience and assistance.

Our country, our fatherland, which the great leader had rebuilt, and which the respected and beloved Comrade Kim Chong-il is adding luster to, is a chuche-based power known for self-dependence that has made its dignity felt the world over, for self-support that has made it rich and strong, and for self-reliant defense that has solidified its security. Chuche is the eternal spirit and the symbol of our country, our fatherland, and the banner for the building of a richer and stronger

fatherland. Our national prosperity, which is the object of attention of the world, precisely is what we have achieved in the process of establishing chuche. The way for our Kim Il-song people to enjoy happiness forever is to live our way of life with chuche as our faith.

Today, the great leader [yongdoja] Comrade Kim Chong-il, based on the unswerving position that the chuche ideology is the life of our nation, is deepening and developing onto a new and higher stage the work of establishing the chuche ideology in the revolution and construction, in pursuance of the fatherly leader's will. Thus, vigorous struggles are under way in our country to push forward the building of the party and the government in our way, to embody in every way the political method of our style based on love and trust, and to further consolidate the self-supporting national economy based on our raw materials, resources, and labor. We owe it precisely to the great leader [yongdoja] Comrade Kim Chong-il-who has firmly established chuche and led our people to arm themselves thoroughly with the spirit of chuche, the conviction that the Korean nation is number one-that we see our nation today shining with glory as a dignified nation that no superpower can dare flout, and moving forward to crush our enemies' counterrevolutionary offensives with bold revolutionary offensives.

The strength of the country and the people is the strength of chuche, which in turn is the strength of the wholehearted unity. Firm and unswerving wholehearted unity is the most important thing for people in order to achieve the prosperity of their country, their fatherland, on their own. The great leader [yongdoja] Comrade Kim Chong-il has realized the mightiest unity of the entire party, people, and army, so that they have one center and move as one under the unitary leadership. Relying on the might of that unity, he has brilliantly solved all problems arising in the revolution and construction. Amid their deepest sorrow at the loss of the fatherly leader, all our people showed not the slightest vacillation, but rallied around the great party a hundred times and a thousand times more closely and vigorously launched a general march to make our country, our fatherland, richer and stronger. This fact demonstrates the great might and vitality of our wholehearted unity which the great leader [yongdoja] Comrade Kim Chong-il put his heart and soul into building.

Also, the great leader [yongdoja] Comrade Kim Chongil's leadership, which adds luster to our country, our fatherland, is bold and awesome; it guides all sectors and branches of the revolution, construction, and social life to develop by leaps and bounds. A country's national strength cannot be measured by any single indicator or standard. It is the aggregate of what the nation has in its political, economic, cultural, military and all other branches. Therefore, for genuine growth and prosperity, it must develop every sector of the revolution and construction with leaps and bounds. The rich and strong fatherland aspired to by the people means an ideologically strong nation and, at the same time, an economically, politically, and militarily strong nation.

It is an important characteristic of his leadership that the great leader [yongdoja] Comrade Kim Chong-il always sees all problems arising in the growth and prosperity of the fatherland from a global point of view and tries to lift all sectors of the country to global levels. It reflects his firm resolution that our country, our fatherland—where the great Kim Il-song people live—shall be a model of the times in every realm, and shall not lag in any aspect. The respected and beloved Comrade Kim Chong-il would set extraordinarily high goals that no one else could, then boldly push ahead with all programs to achieve them. This demonstrates how lofty the devotion of the respected and beloved Comrade Kim Chong-il to the country and the people is.

Today, with a firm grasp on all problems arising in the course of socialist construction—ranging from developing the nation's science and technology to strengthening its defense, from improving people's living standards to looking after their cultural and artistic lives—the great leader [yongdoja] Comrade Kim Chong-il is giving them the best possible solutions. Thus, globally significant inventions are being made, able personnel with outstanding talents are developing, and construction miracles keep rising to amaze the world, all under the guiding hand of his revolutionary leadership. Indeed, our country is on the rise, in the true sense of the word.

It is, especially, solely because we have the great leader [yongdoja] Comrade Kim Chong-il's tested leadership giving definite priority to the work of ideological and human remolding that the spiritual and moral features of our people have reached noble levels, and that they are growing to be chuche-type communist revolutionaries with a truthful view of revolution, morality and life. Our country's national strength is firmly backed up by this political, ideological strength; precisely herein lies the source of strength of our country, our fatherland, which is growing richer and stronger.

Today we can say confidently that our country, our fatherland, will forever tread the path of infinite prosperity and development. It is the continuation of the path to a self-reliant, independent state charted by the fatherly leader. It is the path of building a socialist fatherland of chuche which the great Comrade Kim Chong-il has inherited and is carrying forward. The 20th century has been a century in which our fatherland revived and started out on the road to leaping developments under the plans and leadership of the fatherly leader. The 21st century will shine as the century in which the farreaching plans of the great leader [yongdoja] Comrade Kim Chong-il for the everlasting prosperity of posterity will materialize, with the dignity and the commanding appearance of our country, our fatherland, reaching its pinnacle.

To hold the great leader [yongdoja] Comrade Kim Chong-il high over us and make our country, our fatherland, richer and stronger was the rock-firm pledge all our people and KPA officers and men made on the death of the fatherly leader, with tears of blood and with all their hearts.

. .

The way for us to fulfill our lofty duty as warriors of the great leader, disciples of the great leader, lies in honoring this pledge we made on behalf of the revolution and the times, as the motto of eternal life and the guideline of struggle, and in carrying it out without fail.

Most important in making our fatherland richer and stronger is for us to have the firm position and viewpoint that the great leader [yongdoja] Comrade Kim Chongil is the destiny and the future of our country, our fatherland.

For our people today, the glorious name of Korea is synonymous with the revered name of the respected and beloved Comrade Kim Chong-il. The ideology of the great Comrade Kim Chong-il is the lifeline of Korea; his will is its mettle, and his authority its authority. Away from the great Comrade Kim Chong-il—who strongly resembles the fatherly leader—neither we nor the fatherland exist.

Our people will move forward upholding the respected and beloved Comrade Kim Chong-il with devotion and loyalty, entrusting him with the future of the fatherland and the people, as well as with their own destinies, as the anti- Japanese revolutionary martyrs—who protected the leader with their lives, and with the clear-cut, uncompromising view that the great Commander-in-Chief Kim Il-song is the destiny of the country—did.

Firmly established in the whole party and society today is the revolutionary ethos for thoroughly upholding the leadership of the respected and beloved Comrade Kim Chong-il. This means that we have the basic guarantee that we can make our country, our fatherland, richer

and stronger. We will establish more thoroughly the revolutionary ethos of the entire party, people and army moving as one under the unitary leadership of the great leader [yongdoja] Comrade Kim Chong-il. We will unconditionally implement the lines, policies, decisions, directives of the party. By doing so, we will display the might of the leadership system of our party to the fullest.

Today, the great leader [yongdoia] Comrade Kim Chong-il is unfurling his grand plans to change the face of the fatherland in the shortest possible time and bring about a basic turnsround in the struggle to make the fatherland richer and stronger. Adding luster to our country, our fatherland, means building a country that embodies the respected and beloved Comrade Kim Chong-il's ideology, will, and grand plans. People who accept with all their hearts the plans of the great leader [vongdoia] Comrade Kim Chong-il for a richer and stronger fatherland, and who make his plans their own; people who always breathe and think by his ardently patriotic will; people who exert themselves to make all the contributions they can make to carrying out Comrade Kim Chong-il's plans; people who devote themselves to the struggle to implement party plans under the slogan of loyalty "Whatever decision the party makes, we will carry it out?"-these people are, precisely, today's true patriots and loyalists.

Our people will, in their historic march to uphold the hand-written letter of the respected and beloved Comrade Kim Chong-il, once again powerfully demonstrate how ardent their patriotism is and how sturdy their faith in their leader is—as the Kim Il-song people who are making their dignity felt in the world.

Our country, our fatherland, led by the great leader [yongdoja] Comrade Kim Chong-il, the peerless patriot, will grow richer and stronger and develop forever.

Kim Chong-il's 'Greatness' Highlighted

SK0508114395 Pyongyang KCNA in English 1032 GMT 5 Aug 95

['NODONG SINMUN on Greatness of Comrade Kim Chong-il as Man of Distinguished Ability' — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA) — NODONG SINMUN today comes out with a signed article headlined "Korean People's Great Honor of Being Led by Great Leader Gifted With Distinguished Trait and Quality" under the fixed title "Good Fortune of the Nation Blessed With the Great Leader."

The article lays emphasis on the greatness of respected Comrade Kim Chong-il as a man of distinguished ability. The Korean revolution is a great revolution which has most brilliantly solved the question of inheritance of leadership, the question of carrying forward the leader's cause, the article says, and goes on: This is a greatest pride and self-confidence of the Workers' Party and people of Korea.

The fundamental factor of the most brilliant inheritance of leadership in the Korean revolution lies in holding a great leader of distinguished ability in high esteem.

The article quotes the great leader Comrade Kim Il-song as saying:

"As Comrade Kim Chong-il has long wisely led party, state and military affairs as a whole in our country, the question of inheritance of leadership has been successfully solved."

The article further says:

Comrade Kim Chong-il is a great leader who was elected head of the party and revolution for his distinguished ability to take all the burdens of the chuche revolutionary cause on his shoulders.

He is a man of outstanding ability. Herein lies the greatness of Comrade Kim Chong-il as the heir to the chuche revolutionary cause.

His greatness as a man of distinguished ability lies in personifying the gift of confidently realizing political leadership over the whole society and in having a rich experience in a long revolutionary struggle.

What is important in the gifts a leader of revolution should have is intelligence and leadership ability.

Comrade Kim Chong-il is a peerless great man who is best in ideological and theoretical intelligence and insight and best in leadership ability and leadership method.

His intelligence is an extraordinary penetration of grasping in a moment the essence of the complicated situation which no one can estimate and an ideological and theoretical insight of flawlessly solving any difficult theoretical and practical questions.

With such extraordinary intelligence he is well versed in politics, the economy, culture, military affairs and all other fields and possessed of distinguished political views and extensive knowledge which always strike our revolutionary soldiers with admiration.

His is an outstanding leadership ability with which he always finds himself among people to make their wisdom and creativity a hundred-fold, a thousand-fold, and an extraordinary sweep of leading the revolution to a certain victory in the spirit of bold attack and operation. His leadership ability of skillfully dealing with the revolution and arts and setting examples of socialist politics is the same leadership ability with the fatherly leader President Kim Il-song who was an elder statesman of the world.

As he has distinguished military intelligence and commanding art to lead the cause of building the revolutionary Army without the slightest deviation, he is highly praised as a most competent leader of revolution. His leadership over the revolution and construction is an overall leadership over all domains and his experiences have encyclopedic content.

His fighting experience is characterized by his timely and flawless solution of the most pressing questions of the modern politics. Leading the revolution in the van in the complicated period when the anti-socialist campaign of the imperialists was unprecedentedly intensified, he successfully solved the acute socio-political questions such as the question of invariably defending to the lineage established by the leader, the question of constantly strengthening the collectivist nature of socialist society and the question of smashing counter-revolutionary offensive with revolutionary offensive.

The august name of Comrade Kim Chong-il, an evervictorious leader who knows no failure and retreatment, genius of revolution who carries out any difficult historical tasks on the highest level, will shine forever with the advancement of the revolutionary movement in our era.

Under the leadership of a man of distinguished ability a most solid harmonious whole based on absolute trust in the leader has been formed in Korea and the question of firmly defending and inheriting the ideas and feats of the leader has been most successfully settled in the Korean revolution.

'About 100,000 People' Visit Kumsusan Palace

SK0808102095 Pyongyang KCNA in English 1014 GMT 8 Aug 95

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — It is one month since the opening of the Kumsusan Memorial Palace which was built thanks to the noble communist moral fidelity of respected Comrade Kim Chong-il to the great leader President Kim Il-song and his unremitting efforts.

About 100,000 people visited the palace during the period, including officials of party, government, administrative and economic organs, public organizations and national organs, people of various walks of life, servicemen of the People's Army, fellow countrymen from South Korea and overseas and foreigners, to see the

great leader President Kim Il-song and express reverence for him.

This eloquently shows that President Kim Il-song is with us forever as well as today, as the leader and the sun of chuche, and is immortal in an eternal integral whole with the people.

The people, who made bows to the great leader, felt great strength and courage, seeing the great leader look as he did in his lifetime, and hardened their resolution to carry to accomplishment the revolutionary cause of chuche with the whole party, all the Army and the entire people united more firmly around Comrade Kim Chongil. Fellow countrymen from South Korea and overseas prayed for the eternal life of the great leader, the sun of the nation and lodestar of national reunification, who devoted all his life only to the liberation of the country, the happiness of the people and the country's reunification.

Foreigners expressed reverence for the great leader representing the fervent hearts of peoples of their countries and stressed the leader will be alive forever in the hearts of mankind.

The Korean people and foreigners who were visiting the Kumsusan Memorial Palace could feel the unshakable faith and will of Comrade Kim Chong-il to accomplish the socialist cause, true to the intention of President Kim Il-song and were convinced that socialist Korea led by respected General Kim Chong-il, who is the same as President Kim Il-song, would be prosperous forever.

Russian Official Writes Article on Kim Il-song

SK0708221995 Pyongyang KCNA in English 1511 GMT 7 Aug 95

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA) — "As the great Comrade Kim Il-song won in all confrontations in the 20th century, the great leader Comrade Kim Chong-il is and will always be victorious in the 21st century and the following century," said the chairman of the Central Council of the Russian Association for Friendship and Cultural Cooperation with the Democratic People's Republic of Korea, Vladimir Tolstikov, in an article titled "History of Victory Will Be Everlasting."

"Guided by such a leader as the great leader President Kim Il-song, the Korean people could defeat the U.S. imperialists in the fatherland liberation war and the spy ship 'Pueblo' incident in January 1968 and win one victory after another," he said.

It was since he, who was active as a correspondent of PRAVDA in Pyongyang from the end of 1951 in the thick of the war, was received by President Kim II- song that he began writing articles reflecting the spirit of Korea.

President Kim II-song met him one day during the war and said he was afraid the correspondent should have to make troubles in a difficult time. He gave the correspondent a comprehensive and detailed explanation about the situation and prospect of the war, the DPRK's internal and external policies and new aspects of the international situation.

When the United States and its satellites were mobilizing large armed forces for a "summer offensive" and an "autumn offensive", President Kim Il-song, convinced of the victory in the war, found himself among workers and peasants in the rear, discussed wartime production with them and gave guidance to the postwar rehabilitation and construction plan.

The author of the article said:

"I had never known such a military strategist as Comrade Kim II- song, who remained composed before a formidable enemy, was very humble before the people and ardently worshiped them. All the extraordinary things he possessed and the secret to his invincibility were based on the source, that was the people."

Writing about the war method of President Kim Il-song, who led the war to victory, he said:

"The strategies and war method created by Comrade Kim Il-song were the combination of the guerrilla war method with the modern war method which European militarists and American strategists who styled themselves modern war veterans could not imagine. They could be created only by him, who fully experienced a guerrilla war and was dependent on the people and soldiers in doing anything."

In January 1968, 15 years after the Korean war ended, he visited Pyongyang again as a member of a delegation of the Communist Party of the Soviet Union. At that time there was the Pueblo incident.

When President Kim Il-song received the delegation, he said the Korean people would show their mettle again to the Americans, who failed to draw a proper lesson.

In a speech the keypoint of which was "returning retaliation for retaliation and all-out war for all-out war," he gave the U.S. a hard time and made it apologize to the DPRK.

The author further said:

"In this way Comrade Kim Il-song, an invincible brilliant commander, creditably defended the sovereignty of the Korean people again. He was, indeed, the only victor in history and the immortal incarnation of justice who won in all confrontations in his whole life."

Describing the DPRK's victory in the nuclear negotiations with the U.S. as the victory in the third round of the war with the U.S., he said: "Comrade Kim Chong-il, an iron-willed general and leader, defeated the offensive of the United States and its allies for stifling Korea with strength and recorded another victory."

"As the sovereignty of Korea, the socialist cause and all the justice and truth of humankind were defended by the great Comrade Kim Il-song in the past, now the imperialists' high-handed practice is being contained, justice distinguished from injustice and truth clarified by the great Comrade Kim Chong-il," he stressed.

Nepal Publishes Book Remembering Kim Il-song

SK0508110495 Pyongyang KCNA in English 1006 GMT 5 Aug 95

[FBIS Transcribed Text] Pyongyang, August 5 (KCNA)

— A book "First Death Anniversary of Comrade Kim
Il-song" was published by the Phaktapur, Nepal, Society
for Korean Studies on July 25.

It carries a portrait of the great leader President Kim Ilsong and a picture of the immortal flower Kimilsongia.

It edits photographs of the bier of President Kim Ilsong, the great leader Comrade Kim Chong-il paying silent homage to him, Nepalese girls laying a basket of flowers before the portrait of President Kim Ilsong, Pyongyangites honouring memory to him and a memorial service which was held in Phaktapur city, Nepal.

It also carries a gist of "A Patriotic Landowner, Kim Chong-pu" of volume [as received] of Part 1, anti-Japanese revolution, of the reminiscences of President Kim Il-song With the Century. Seen in the book are the answers of Narayan Man Bijukchhe [as received], chairman of the Nepal Worker-peasant Party, to questions raised by the director of the editorial board the KOREAN CENTRAL NEWS AGENCY on the first death anniversary of President Kim Il-song and "A Tree Should Grow Vertically From the Sapling", a part of the book Korea Which I Saw Again 40 Years Later authored by Cuban woman lawyer Candelaria Rodriguez.

An article of the editorial department said: President Kim Il-song is always with us for his ideology and theory, strategy and tactics left in the history of the international communist movement, his tireless efforts for the world peace and just cause and the great exploits he performed for the global independence holding fast to the idea and stand of anti-imperialism and independence.

Kim Il-song's Peace Proposals 'Reasonable' SK0408114295 Pyongyang KCNA in English 1032 GMT 4 Aug 95

["Realistic Proposals To Create Peaceful Climate for Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 4 (KCNA)

— It was a lofty intention of the great leader Comrade
Kim Il-song to see that all the fellow countrymen live
peacefully by achieving peace in the country with the
internal forces of the nation and preventing the territory
from becoming a theatre of a tragic nuclear war.

This is the topic of an article of NODONG SINMUN today.

The author of the article says:

Taking into consideration the importance and urgency of the issue of ensuring peace on the Korean peninsula, the great leader put forward most realistic and aboveboard policies to ease the tensions and bring about a lasting peace in each period and at each stage, and wisely led the struggle of the Korean people for their realization.

He made a large number of reasonable peace proposals reflecting the requirements of the developing situation including the proposal for signing a peace agreement between the Democratic People's Republic of Korea and the United States and adopting a non-aggression declaration between the North and the South, the overture for turning the Korean peninsula into a nuclear free zone, a peace package envisaging a phased cut of all the Armed Forces in the Korean peninsula and the removal of the existing political and military confrontation and the proposal for negotiation to establish a durable peace mechanism in the country.

In addition, he took a bold measure to unilaterally cut the Army by 100,000 and mobilize 150,000 officers and privates of the People's Army in peaceful construction, showing the DPRK's consistent peace efforts in practice.

The proposals for peace on the Korean peninsula made by him and ensuing steps fully represent his unshakable determination to prevent the danger of a new war and remove the acute military confrontation between the North and the South with the concerted efforts of the nation under any circumstances, and create a favourable phase for peace and peaceful reunification.

In recent years, the United States and the South Korean puppets brought the situation to the brink of war by massively reinforcing the Armed Forces and frequently staging nuclear war exercises against the North in South Korea under the pretext of non-existent "suspicion of nuclear development by the North." Even under this serious situation, the high-level talks were held between the North and the South and an agreement the keynote of which is a declaration on nonaggression between the North and South was adopted there. And the DPRK and the United States held talks to solve the nuclear issue on the Korean peninsula and a joint statement and a framework agreement were adopted and published. All this is unthinkable apart from the wise guidance of the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il.

It is an invariable stand and will of the DPRK to put the peace proposals advanced by Comrade Kim Il-song into practice, create a peaceful climate for reunification and achieve the reunification in the 1990s through the unity of the whole nation.

Kim Il-song's Reunification Proposal Praised

SK0708103895 Pyongyang KCNA in English 1027 GMT 7 Aug 95

["General Aim of Great National Unity is To Found Pan-National Reunified State" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 7 (KCNA)

— The policy on founding an independent, peaceful and neutral pan-national reunified state, with the two systems and two governments in the North and the South left intact, which was put forward by the great leader Comrade Kim Il-song in the ten-point programme of the great unity of the whole nation, is a great idea which indicates the general aim of great national unity, stresses NODONG SINMUN in a by- lined article today.

The article says:

This is a most just policy which fully accords with the demand of the Korean nation for independence, its fundamental interests and the essence of the question of national reunification.

If the divided nation is to be united as one to realize its independence on a nationwide scale and the desire and demand of all the fellow countrymen to lead a happy and worthwhile life in a reunified country, it is imperative to found an independent, peaceful pan-national reunified state.

The ten-point programme of the great unity of the whole nation calls for founding an independent, peaceful and neutral pan-national reunified state to represent all parties, all groupings and all members of the nation through great national unity; it most correctly reflects the demand and interests of our nation and the essence of the question of national reunification.

The policy on founding a pan-national reunified confederal state with the two systems and two governments of the North and South left intact is a most fair and above-board and reasonable proposal for reunification which fully conforms to the concrete reality and conditions of our country. This proposal expounds that the reunification of the country should be achieved through confederacy based on one nation, one state, two systems and two governments on the principle of co-existence—no side conquering the other or being conquered—reflecting the present conditions of Korea.

With the founding of this state put forward as the general aim of great national unity, the Korean nation can achieve national reconciliation and unity with the correct aim.

Work Stresses Education About Loyalty to Party SK0808103295 Pyongyang KCNA in English 1021 GMT 8 Aug 95

["Education in Loyalty to Party, Main Content of Ideological Work" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 8 (KCNA) — NODONG SINMUN in a by-lined article today says the great leader Comrade Kim Chong-il in his famous work "Giving Priority to Ideological Work is Essential for Accomplishing Socialism" taught that education in the loyalty to a working-class party is an important content of its ideological work, and this is of weighty importance both theoretically and practically.

The article says the idea and theory of the education in the loyalty to the party, expounded in an allround way, were very instrumental in providing the most correct guideline for the upbringing of communist revolutionaries of chuche type.

The loyalty to the party and the leader is the life and soul and the first and foremost quality of a communist revolutionary of chuche type, the article says, and continues:

Education in loyalty should be strengthened among the people so that they may cherish the loyalty to the party and the leader as their firm faith. Only then can they be trained to be true communist revolutionaries and socialism make a long drive, pulling through whatever difficulties and ordeals as well.

In the work Comrade Kim Chong-il elucidated the idea and theory of conducting education in loyalty to the party in real earnest among the party members and working people. As a result, a sure guarantee has been secured to make them true revolutionaries of chuche type, who have absolute trust in the party and the leader and follow them and devotedly work for what is desired and intended by the party and the leader.

In particular, they are valuable ideological and mental pablum for our party members and working people who set themselves the goal of making the loyalty to the party and the leader their faith, conscience, morality and part of daily routine and strive for its materialisation.

The idea of conducting education in loyalty to the party laid down in the work is a mighty ideological and theoretical weapon which makes it possible to further consolidate the singlehearted unity of the leader, the party and the masses and carry to completion socialism of chuche on the strength of it.

With the idea and theory of strengthening education in loyalty to the party, put forward by Comrade Kim Chong-il, the Workers' Party of Korea has been able to make the entire people cherish deeper in their hearts loyalty to the party and the leader and further the singlehearted unity of the party and revolutionary ranks.

Loss of Revolutionary Tradition Hurts Socialism

SK0408114995 Pyongyang KCNA in English 1046 GMT 4 Aug 95

[FBIS Transcribed Text] Pyongyang, August 4 (KCNA) — NODONG SINMUN today carries an article headlined "Obliteration of Revolutionary Traditions Leads to Collapse of Socialism."

The great leader Comrade Kim Chong-il in his work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" said:

"Historical experience shows that if revolutionary traditions are negated and destroyed, the revolution is discontinued and the socialist achievements won at the cost of blood are brought to nothing."

What is fundamental in accomplishing socialism is to arm thoroughly all members of society with revolutionary traditions and carry forward and develop these traditions in all their purity, the article notes, and continues:

The process of preserving, inheriting and developing the ideology of the leader who pioneered the road to socialism, as well as the revolutionary achievements made through bloody struggle by preceding revolutionary generations under his leadership is precisely the process of consummating socialism.

Therefore, one's attitude towards revolutionary traditions is a criterion for judging between revolution and counter-revolution.

Unless the issue of inheriting and developing revolutionary traditions is solved in a right way the revolution will be discontinued and socialist achievements be brought to nothing.

It was well illustrated in countries where capitalism has revived.

The ideology and leadership achievements of Lenin were emasculated and destroyed in the former Soviet Union.

It is evident that emasculating and destroying the exploits of Lenin who led the socialist revolution and construction to victory was as good as stamping out the main roots of socialism.

Socialism in the former Soviet Union has collapsed, for the ideological and mental treasure that maintains the lifeline of the revolution was destroyed.

Modern-day revisionists and renegade socialists have also obliterated the fighting exploits gained by preceding generations.

On the contrary, they held that "monuments" should be set up for reactionaries, speaking highly of the counterrevolutionary elements who had been liquidated.

Under the slogans of "glasnost" and "pluralism," they created ideological confusion among people and threw open the door to admit reactionary bourgeois ideas and culture. Thus, working-class parties have broken down in a day and socialism built at the cost of blood has collapsed.

If these countries had decisively frustrated the renegade socialists' moves to emasculate and destroy revolutionary traditions and defended, inherited and developed them in purity, socialist ideology would have been maintained and such a tragedy as the collapse of socialism would not have occurred.

Steel, Iron Complexes Innovate To Boost Output

SK0508022695 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 4 Aug 95

[FBIS Translated Text] A flame of struggle to increase production vigorously rose throughout the country in order to greet the 50th anniversary of founding of our party with proud and laborious success. Under these circumstances, steel and iron complexes under the Ministry of Metal Industry are vigorously struggling to effect innovation in their production.

The working class of the steel & iron complexes across country have normalized steel production in our own way. As a result, they have gained a greatest achievement that would not have been achievable in recent years.

The working class of the Kim Chaek Steel Complex, Chongjin Steel Mill, Chollima Steel Complex, 13 April Steel Mill, Chongjin Steel Complex, and 7 May Plant have increased production by actively applying a new method of technological innovation to the major processes, while decreasing costs.

Kim Chaek Boosts Coke Output

SK0808092395 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 7 Aug 95

[FBIS Translated Text] Working class of the Hyetan workshop of the Kim Chaek Steel Complex normalized coke production at a higher level. The working class in the complex—who have a high sense of resolution to vigorously advance for the development of my country, my fatherland, by upholding the red flag of the revolution-are now increasing production by 1.5 times compared with the same period last month. In particular, workers and technicians of the No. 1 furnace-including Ko Il-nam, head of the furnace team, and Ko Myong-song, head of the workteamhave obtained the proud achievement of overfulfilling the daily target by over 130 percent by vigorously struggling to increase production, cherishing the glory of the days when they invited the great leader [suryong] to their working place.

South Korea

U.S., North Reportedly Agree on Oil Monitoring SK0808065095 Seoul MUNHWA ILBO in Korean 8 Aug 95 p 1

[By Han Chong-ho]

[FBIS Translated Text] According to a government official on 8 August, the United States will install an instrument at the North Korean power facilities to prevent the diversion of 100,000 tonnes of heavy oil for uses other than heating and power generation. The shipment of heavy oil to North Korea will resume on 15 August.

According to the official, the United States has confirmed that 20 percent of the 50,000 tonnes of heavy oil it provided to North Korea last January was diverted for other purposes, such as steel production, and called on North Korea to map out measures to prevent the diversion at the expert talks on alternative energy held in Pyongyang on 15 June.

During the expert talks, the U.S. delegation, headed by Pierce, a staff member of the nuclear ambassador's office, and its North Korean counterpart reportedly agreed that the measuring instrument will be installed at the expense of the Korean Peninsula Energy Development Organization [KEDO]; that North Korea will report to KEDO on the materials measured by the instrument to KEDO every other week; that KEDO officials will be regularly dispatched to North Korea to check the measuring instrument; and that the provided heavy oil will only be used for power generation at three thermal power plants, including the Pyongyang Thermal Power Plant.

It was also learned that the two sides agreed to deliver 40,000 tonnes of heavy oil to North Korea sometime in August, another 30,000 tonnes in September, and the remaining 30,000 tonnes in October.

In another development, Yukong Ltd., which was selected as the first supplier of 40,000 tonnes of the heavy oil to North Korea, plans to ship 20,000 tonnes of oil to North Korea's Sonbong Port twice—sometime between 15 and 19 August, and again between 20 and 24 August.

U.S. Asked To Work for North-South Meeting SK0808052795 Seoul TONG-A ILBO in Korean 8 Aug 95 p 2

[FBIS Translated Text] During the third-round of ROK-U.S. high-ranking policy consultation meeting held in Honolulu, Hawaii, on 7 August, the government asked the United States to work to realize a North-South authorities meeting for the replacement of the Armistice Agreement with a peace agreement on the Korean peninsula. During the meeting, the government also explained to the U.S. side that on 15 August [the 50th anniversary of the national liberation] the ROK will propose to the North a North-South authorities meeting to discuss ways to establish a peace system on the Korean peninsula.

Multinational Site Survey Team To Visit North

SK0808011695 Seoul THE KOREA TIMES in English 8 Aug 95 p 2

[By staff reporter Son Ke-yong]

[FBIS Transcribed Text] A multinational survey team will travel to North Korea next week for a weeklong survey of a candidate site for the construction of nuclear power plants, a senior South Korean official said yesterday.

"The detailed composition of the survey team was not finalized but we already reached an agreement with North Korea in principle that the team will consist of experts from South Korea, Japan and the United States," said Choe Tong-chin, commissioner of the Office of Light-Water Reactor (LWR) Planning.

He said that Pyongyang is unlikely to block the team's visit to North Korea because they agreed on the visit of South Korean experts from the Korea Electric Power Corporation and the Korea Power Engineering Company.

Earlier, North Korea refused to allow South Korean deputy director general of the Korean Peninsula Energy Development Organization (KEDO), Choe Yong-chin, from visiting Pyongyang along with Stephen Bosworth, head of the KEDO secretariat, thus ditching the whole visit program and erecting a potential hurdle to the smooth sailing of future negotiations with the international consortium.

Choe said that a U.S. consulting firm, Burns & Roe, was designated as a company which will offer advice and expertise to the experts and officials participating in the on-the-spot survey, Choe said.

The survey team is expected to enter North Korea via Beijing and, during their one-week stay in North Korea, the experts will be assigned to secure from North Korean officials the results of a site survey conducted by the Soviet Union in 1986, inspect the candidate site and conduct some sample-taking and other simple tests with hand-carried equipment, he added.

Meanwhile, North Korea and the international consortium are likely to start negotiations within this month, aimed at signing a reactor supply contract, he said.

KEDO's executive director Stephen Bosworth will take charge of negotiations with the North Koreans along with Korean and Japanese deputy executive directors while U.S. State Department official Gary Samore will represent KEDO as head of a working-level bargaining team.

However, Choe didn't rule out the possibility that the supply contract negotiations will be postponed to next month if KEDO fails to reach an agreement with North Korea on procedural matters.

Choe said that even though KEDO has opened its door to many countries, they will have to make financial contributions to the international consortium in principle if they want to join it.

A total of 32 countries and a representative from the European Union (EU) joined the inaugural general conference of the international consortium early this month, he said.

"The Netherlands, Italy, Malaysia and Greece made pledges on their financial contributions to KEDO while Germany, the Philippines, Thailand, France, Denmark and Portugal are considering joining it and making financial contributions," Choe said. In the New York conference, the international consortium formed three advisory committees on alternative energy, spent fuel and light-water reactors, Cho Changpom, special advisor to Choe, chaired the light-water reactor committee, he said.

Officials of the Korea Electric Power Corporation, named as prime contractor of the reactor project, briefed participants of the light-water reactor advisory committee on the whole project as a step to reaffirm Seoul's central role in the reactor project, Choe added.

Kong No-myong Meets With U.S. Ambassador SK0808032895 Seoul THE KOREA HERALD in English 8 Aug 95 p 2

["Amb. Laney Pledges Improvement to Visa Issuing Process"—THE KOREA HERALD headline]

[FBIS Transcribed Text] U.S. Amb. James Laney yesterday pledged to improve the process of issuing visas for Koreans. As part of such efforts, he was quoted as saying, the U.S. Embassy in Seoul will increase the number of consular officials and set up a waiting room for visa applicants.

His promise came at a meeting with Foreign Minister Kong No-myong, who called in the U.S. envoy to discuss follow-up measures to agreements reached at a summit meeting between President Kim Yong- sam and U.S. President Bill Clinton in Washington last month.

Kong, accompanying Kim on the U.S. trip, agreed with his U.S. counterpart Warren Christopher on the need for measures to settle growing complaints from Korean applicants for U.S. visas.

Local press reports have said officials from the Foreign Ministry and the U.S. Embassy will soon start consultations on ways to improve the visa issuance process, which includes receipt of visa applications at U.S. cultural centers in provincial cities or by mail.

A consular official at the U.S. Embassy in Seoul, however, recently denied reports that the Embassy is considering allowing such cultural centers to deal with visa affairs.

During the meeting with Laney, Kong also briefed the ambassador on the talks he held with foreign ministers from China, Japan, Russia and Canada in Brunei on the fringe of a regional forum on security issues in the Asia-Pacific region, a ministry official said.

Working-Level Contact for Rice Talks Begins SK0808061495 Seoul MUNHWA ILBO in Korean

SK0808061495 Seoul MUNHWA ILBO in Korean 8 Aug 95 p l

[FBIS Translated Text] A preliminary working-level contact for the third round of rice talks between the North and South started on 7 August in Beijing between the Korea Trade and Investment Promotion Agency [KOTRA] and the Korean Samcholli General Corporation, the executive organs of the South and North. According to the Board of Finance and Economy on 8 August, Hong Chi-son, section chief of KOTRA's North Korean Affairs Department, departed for Beijing by Korean Air on the morning of 7 August.

It was learned that with the third round of talks right around the corner, Mr. Hong is currently meeting with officials of the Samcholli General Corporation and negotiations are under way on the agenda of the talks.

Rice Imports Delayed Until Last Quarter

SK0808034595 Seoul THE KOREA HERALD in English 8 Aug 95 p 8

[FBIS Transcribed Text] Korea is delaying the import of 51,000 tons of rice to the last quarter of this year as government grain importers await downward rice prices in the international market.

"We have no reasons to be in a hurry," said an official at the food grain policy division of the Ministry of Agriculture, Forestry and Fisheries yesterday. "Between the current high international prices and enough reserves at home, we're willing to wait for the most economical offers possible," he said.

This year marks the first year of market opening for rice in Korea. Under the WTO (World Trade Organization) agreement, Korea is slated to import 1 percent of the total consumption, or 51,000 tons strictly for food processing. The 1995 import amount is agreed in the context of the minimum market access (MMA) and is scheduled to be hiked in several steps to 4 percent by year 2004.

Grain policymakers pointed to the current rice prices as the main reason for the postponement. Earlier in the year, government officials had indicated they are likely to begin placing bids as early as August or September as they expected new crops from Southeast Asia and the United States to come into the market. But so far, buying is delayed given the recent upward prices.

The prices of top-grade Thai origin, for instance, averaged about \$370 per ton in the months of June and July, up substantially from the May average of \$323 per ton, according to data by the United States Department of Agriculture (USDA).

The U.S. origins have showed a smaller price jump in the past few months. Although the price of California rice has been steady at \$367 per ton for the past few months, the July average price of rice grown in Arkansas has climbed to \$386 per ton, up from the May average of \$334 per ton.

"Technically we have until the end of December to abide by the WTO agreement," said the ministry official. When and if Korea initiates rice bidding in the international market, government grain officials also said they will spread the buying over several occasions in small amounts. "Bulk purchases won't be necessary as we have reserves. We will also be looking for rice packaged in 50-kg bags as the prepackaged rice will help us cut down on the local processing time," said the food grain policy official.

The packaged rice would come especially handy in mitigating the notorious crowdedness of most Korean ports, noted the official. If the rice arrives in bags, the supplies can be promptly be transported to their destinations.

Policymakers did not indicate at this time which origin they would prefer but only emphasized they will be on the lookout for "the most economical deal possible."

Meanwhile, "Rice World," a monthly U.S. publication, speculated that China is likely to emerge as the major supplier of Korea's rice imports. The publication cited China's geographic proximity, a sizable population of ethnic Koreans in China and relatively inexpensive production costs as the reasons. Other possible suppliers are the United States, Australia and Thailand.

Korea's 1994 rice production was at 5.1 million tons grown on a cultivation area totaling 1.1 million hectares. Rice last year made up about 85 percent of total grain production.

Per capita rice consumption was at 107 kg in 1994. The consumption has declined in the past few years.

Seoul May Allow Private Rice Supply to North

SK0808063495 Seoul YONHAP in English 0626 GMT 8 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 8 (YONHAP)
— Foreign Minister Kong No-myong said Tuesday
that the South Korean Government may permit private
organizations to provide rice to North Korea if the North
shows sincere attitudes towards improving inter-Korean
relations.

Touching on an inter-ministry meeting held Monday on the second round of rice talks between South and North Korea slated in Beijing for Thursday, Kong said that the participants of the meeting shared the view that it is better for the government to collect the rice from private organizations before delivering the rice to the North.

"If a private organization wants the rice to be delivered to a certain group or region, it may be desirable for the South Korean Government to deliver the rice to the North Korean Government so it could distribute the rice to the group or region," Kong said.

Kim Yong-sun Interviewed on Rice, Other Issues

SK0408123095 Seoul MAL in Korean Aug 95 pp 118-123

[Interview with Kim Yong-sun, chairman of the Preparatory Committee for the Great National Reunification Festival To Celebrate the 50th Anniversary of National Liberation, by Chong Ki-yol, U.S.-resident Korean pastor and MAL's overseas planning staff member, in Pyongyang on 10 July: "The Bull Goes His Own Way Even if a Dog Barks"—first two paragraphs are MAL introduction]

[FBIS Translated Text]

July's Cool Weather in Pyongyang

I held talks with Kim Yong-sun, chairman of the "Preparatory Committee for Great National Reunification Festival To Celebrate the 50th Anniversary of National Liberation" in Pyongyang on 10 July. In fact, I arrived in Beijing earlier, on 2 July, in order to attend the tripartite working-level talks by members from the North, South, and overseas with regards to the joint national events on 15 August. The talks were scheduled for 3 and 4 July in Beijing. However, members of the South side preparatory committee were unable to attend the talks because the South Korean authorities did not allow them to attend. As a result, the talks were inevitably postponed until 11 and 12 July. During my visit to Pyongyang. I took advantage of a week that was suddenly and unexpectedly available. On 4 July, I boarded a Koryo Civil Aviation airplane bound for Pyongyang with the hope to interview Chairman Kim Yong-sun, the North Korean official responsible for the 15 August festival events.

Unlike the hot weather in Beijing, Pyongyang was cool in July, so cool as to cause concern that the cool weather could damage the grain. Contrary to the expectation that the atmosphere in Pyongyang would be gloomy and depressed during the first anniversary of the death of President Kim Il-song, the streets were filled with vigor. Chairman Kim Yong-sun was so busy with memorial service events for President Kim's death anniversary that I could only interview him on 10 July, the day before I had to leave Pyongyang to attend the Beijing

meeting. Chairman Kim Yong-sun is the core figure in North Korea's diplomatic activities and affairs toward South Korea. Worthy of his role, Chairman Kim gave significant answers to my questions pertaining to the 15 August joint celebrations, as well as to relations between North and South Korea, between North Korea and the United States, and between North Korea and Japan. An Pyong-su, vice chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF], was also on hand. Our interview was held from 1800 to 2100 that day.

[Chong] The year 1995 marks the 50th anniversary of national liberation and the nation's division. Would you tell me the significance the North Korean authorities and compatriots attach to this anniversary?

[Kim] Yes. The year 1995 marks the 50th anniversary of the fatherland's liberation and, at the same time, of the nation's division. We must make, by all means, this 15 August a great watershed for the creation of the reunified fatherland. It is a solemn resolution and firm will, consolidated by all fellow countrymen in the North, the South, and overseas with the beginning of the nineties to make the 50th anniversary of national liberation a historic momentum for opening a new phase for a reunified fatherland by bidding farewell to a half-century history of national division.

This Year Should Be a Joint Anniversary

[Chong] Please tell me about the purpose, content and preparatory works of the "great national reunification festival" to be held in Pyongyang and the "great national meeting on the occasion of the 50th anniversary of national liberation" to be held in Panmunjom.

[Kim] Our political parties and organizations in the North held a joint conference this January, and politely proposed to political parties and public organizations, as well as people from all walks of life in the South and overseas that compatriots in the North, the South, and overseas get together at Panmunjom on 15 August and splendidly celebrate the 50th anniversary of national liberation. If the upcoming great festival is successfully held, it will undoubtedly serve as a new momentum for our fellow countrymen, who live separately in the North, the South, and overseas, to realize the wholehearted unity and the creation of reunified fatherland.

Prompted by a desire to jointly push ahead with the great reunification festival by the North, the South, and overseas, on 7 March we formed the North side preparatory committee for the great national reunification festival on the occasion of the 50th anniversary of national liberation. I was nominated chairman of this committee, in addition to my position of chairman of the Reunification Policy Committee of the Supreme People's Assembly [SPA]. Four vice chairmen and about 20 members are working in this committee.

The events that the North side's preparatory committee intends to carry out are the ceremony starting a march from Mt. Paektu; and with this as the beginning, the opening ceremony for the festival at Panmunjom; the great national conference; conferences of organizations of the National Alliances for the Country's Reunification and Pannational Alliance of Youth and Students for National Reunification; reunification music and fine art festivals by musicians and artists from the North, the South, and overseas; celebrations on the night of the great reunification festival; and other colorful events.

We should make the upcoming great festival the nation's common event where fellow countrymen in the North, the South, and overseas get together and celebrate. It would be meaningless if the North and the South were to hold separate events in different places this year when the nation is to observe the anniversary marking the 50th year since the nation was divided. Of course, there would be some obstacles. However, the reunification driving forces in the North and the South should, by all means, realize the nation's common reunification events to be held 50 years after the nation was divided. This will be truly an act of proving the will of our people and of reunification driving forces which should not be blocked. This being the case, we have designated Panmunjom as the festival venue, which can be fairly accepted by all parties. I firmly believe that thanks to the unified efforts of the reunification driving forces in the North, the South, and overseas, this year's great reunification festival will be the nation's common great festival without fail.

[Chong] Japanese rice was promptly sent to North Korea this year marking the 50th anniversary of national liberation. Will you explain about the course of realizing the rice trade?

[Kim] Japan repeatedly stressed in the past that it would resolve the issue of normalizing DPRK-Japan diplomatic relations and that it "would send rice" with a view to apologizing for its past. Japan is trying to formulate its new role in Asia by freeing itself from U.S. domination. In particular, it is trying to advance toward the United Nations. However, unless Japan improves relations with the DPRK, it can accomplish nothing. This being the case, Japan actively worked to improve DPRK-Japan diplomatic relations, including the visit by former Deputy Prime Minister Kanemaru. However, Kanemaru was compelled to step down from politics because the United States opposed Japan and DPRK entering into normalized relations first and

also because of some other reasons. In this course, I consistently called on "Japan to precisely handle the issue of its independence." What I meant by this was that Japan should not be continually dragged by the United States but should resolve its external relations more independently. The last names of three Japanese officials handling U.S. affairs all began with "Naka." One day, I personally said to a Japanese, "Are those in your country whose names begin with 'Naka' being all dragged by the United States by going counter to the will of the Japanese people?" Whenever they heard this, they said they would "assume a rightful attitude" toward talks with the United States. However, once they face the U.S. side, they cannot stop being dragged by it. Nevertheless, I thought that Japan could not merely remain an onlooker to improving DPRK-Japan diplomatic relations. This being the situation, the three ruling parties, including the Socialist Democratic Party of Japan, positively called for the resumption of talks for normalizing DPRK-Japan diplomatic relations recently. Prompted by such motives, they repeatedly expressed their position to send rice. In the past, I have once told Kanemaru that "if a man steals rice and money from his neighbor, he should deservedly apologize to his neighbor and make appropriate compensation." He then said that he had nothing to say.

We have a disgraceful history, in which we fell into nation-selling flunkeyism and were unable to get rid of it. When we think of the history in which we sent carried all kinds of tributes on several hundred donkeys to Tiananmen in China and of the history in which our country was totally conquered by Japan, Japan's proposal to offer rice to us while visiting our country is not an insignificant issue in light of our nation's dignity and the independence issue. Therefore, we have decided to accept Japanese rice.

We Knew That They Would Use the Rice Issue for the Local Autonomy Elections

[Chong] We hope that the strained inter-Korean relations will be eased somewhat with the settlement of the North Korean-U.S. light-water reactor talks and the inter-Korean "rice trade." As I mention your rice trade with South Korea, I am curious to know about the food situation in North Korea.

[Kim] Our receipt of rice from South Korea seems to be resulting in an assumption that "North Korea is suffering from such a food shortage that it seems to be unable to sustain itself any longer." However, we are conducting the rice trade not because famine stares us in the face. Our country fundamentally resolves the problem of food, clothing, and shelter. However, because we can use rice for livestock and light industry

as well, the more rice we have, the better it will be. Therefore, "when Japan offered to provide us with rice as part of its apology, we decided not to reject the offer." As Japan offered us rice, the South side also made a rice offer to us, like the saying, "When a goby in the West Sea jumps, even a broom wants to jump" [mimicking someone else's actions]. Up to that point, South Korea did not do badly, but then South Korea began to interfere in various ways, saying that Japan should not send us rice ahead of them. We knew at the time that the South authorities intended to use the rice issue for the local autonomy elections.

[Chong] You have been urging the South Korean authorities to try to help create an atmosphere for inter-Korean dialogue. Do you think that the inter-Korean rice trade will lead to dialogue between the persons in authority of the North and the South and to improved relations between the North and the South?

[Kim] The North-South relations are still not improving. and the state of confrontation continues. North-South dialogue was carried on even when the South was ruled by the military regime. However, now when the present persons in authority are in power, the state of confrontation without dialogue continues for the first time. We have much to say to the South authorities on this. Calling for dialogue only in words, the South authorities are not taking any steps to create an atmosphere for talks. In fact, they have been blocking dialogue. The South authorities resumed the Team Spirit exercise which had been suspended during the Sixth Republic, rupturing the chances for the operation of the North South Reconciliation, Military, and Exchange and Cooperation Joint Committees which were about to be launched a few days later, and totally stopped all North-South dialogue which was heading for reconciliation and detente despite some vicissitudes. Taking off the mask of civilian government, the present person in authority followed foreign forces, indiscriminately suppressed the reunification forces in South Korea, and aggravated political and military confrontation with us, taking issue with the fictitious nuclear issue, thereby leading the situation to a brink of war.

As their predecessors did, they engaged in the "two-Koreas" plot, begged for the long-term presence of the U.S. troops in South Korea, massively introduced operational equipment, such as Patriot missiles, and are conducting various joint military exercises continuously. We think that their confrontation policy is based on their wrong outlook toward us and toward reunification. Their hostile outlook toward us was intensively expressed in the "prohibition from expressing condolences." Even now the South authorities regard the expression of condolence as a crime. As long as they maintain this

attitude and outlook, dialogue is impossible, and our people will never tolerate it.

The Issue of Displaced Families Can Only Be Resolved When They Repatriate the Unconverted Long-Term Prisoners

[Chong] The North Korean authorities demand the abolition of the National Security Law as a precondition for inter-Korean dialogue, but there seem to be few people in South Korea who think that the South authorities would abolish the National Security Law to resume inter-Korean dialogue. Do you not think that it is a more realistic approach that the North should first resume inter-Korean dialogue and demand that the South abolish the National Security Law?

[Kim] As for the South side's "National Security Law," it is the biggest obstacle in the way of the nation's great unity and the reunification. Judging from the motive behind its legislation and the anti-North attitude, I do not think "the National Security Law" will undergo change or partial amendment. If we closely examine the contents of "the National Security Law," there is not a single clause that is not linked to us. Mr. Kim Yong-sam continued to arrest civilians who wanted to talk with us. Since he himself hopes to open dialogue with us, should he not also go to prison? This is against the principle of equity in applying the law. As the National Security Law has become incapacitated under current conditions. he concocted "the Law on North-South Exchange and Cooperation" which is a variant of the National Security Law, and continues to bar significant dialogue. How can we open dialogue with such a person?

[Chong] However, it is truly unfortunate that a nation should fail to hold dialogue within itself while opening dialogue with other nations, such as the United States and Japan. This is especially true in the South for elderly members of separated families who pass away after waiting so many years to visit their hometown. Should we not first settle the problem of separated families from a humanitarian point of view?

[Kim] The matter concerning separated families is also an issue. The repatriation of unconverted long-term prisoners has yet to be resolved. For example, we have repeatedly asked the Kim Yong-sam government to return unconverted long-term prisoners, such as Mr. Kim In-so, Mr. Ham Se-hwan, Mr. Kim Yong-tae who are suffering from bad health, to the North from a humanitarian point of view. I cannot understand why the Kim Yong-sam regime calls on us to confirm the life or death of separated families in the North when it is not settling such an important problem. We are not rejecting inter- Korean dialogue entirely. What we are saying is

that the table for true dialogue and reconciliation has difficulty in being set without a change in the attitude of South Korean authorities.

It Is Useless To Have Dialogue With Those Who Insist on Reunification Through Absorption

[Chong] I think that the task to unfailingly establish a durable peace system on the Korean peninsula lies before the nation on the occasion of the 50th anniversary of national liberation. The biggest obstacle to signing a peace agreement must be the question of the parties concerned in the conclusion of a peace agreement. Some share the view that even though the South authorities were not a party directly concerned in concluding the Armistice Agreement, they should also join the discussion as one of the parties to the peace agreement issue under a condition in which the North and South Armed Forces stand face to face along the DMZ [demilitarized zone]. Would you give us your opinion about this?

[Kim] The issue of replacing the Armistice Agreement with a peace agreement is an issue that can only be solved between the United States and us. The United States is an actual signatory of the Armistice Agreement as well as an actual holder of the prerogative of supreme command that controls all the Armed Forces and military actions in the South. During the North Korea-U.S. talks, the United States showed support for the peace and the reunification of Korea and agreed to fulfill its responsibility for this. Such being the case, the United States should come to an agreement with us on establishing a new peace guarantee system. Therefore, it is truly preposterous that the South authorities insist that they are the party concerned for the conclusion of the peace agreement.

As a matter of fact, the South authorities had adopted a resolution on nullifying the Armistice Agreement at the National Assembly. Even Article 5 of the North-South agreement stipulates that "the North and South will jointly work to replace the current state of armistice into a state of durable peace between the North and South," but does not specify the South as a party concerned to a peace agreement. The roles played by the North and South in replacing the armistice state into a state of durable peace are different. The South side's share for this is adopting a nonaggression declaration between the North and South. Therefore, the South authorities should work to realize arms reduction and to adopt the nonaggression declaration as has been agreed by the two sides so as to ensure a durable peace on the Korean peninsula, instead of edging itself into the replacement of the Armistice Agreement with the North Korea-U.S. peace agreement.

[Chong] North Korea has consistently proposed "the confederal method of reunification" from 1980. However, unfortunately, the South authorities insisted that North Korea's "confederal method of reunification" is aimed at reunifying the country through communism after the abolishment of "the National Security Law" and the withdrawal of U.S. forces. What is the North Korean authorities' reaction to this?

[Kim] The confederal method of reunification was presented at the Sixth Congress of the Workers Party of Korea. The confederal method is to realize national reunification by setting up one pannational reunified state, leaving the existing two systems and two governments as they are. This is the most reasonable and realistic method of realizing reunification on the principle of co-existence in which one never swallows or overwhelms the other.

Speaking of the connection between reunification through the confederal method and the withdrawal of U.S. forces from South Korea, President Kim II-song declared on 5 June 1991 during a meeting with the president of a Mexican publishing house that "It would be all right if the United States withdrew its forces on the course of establishing a confederal state between the North and South. However, it would be more favorable if U.S. forces withdrew before that." As for the issue concerning the withdrawal of U.S. forces, we regard his teaching as a guiding principle. As I have said in relation to the question on the National Security Law, there is no need to again discuss the issue of abolishing "the National Security Law" to realize reunification through the confederal system.

[Chong] Then, what do you think of the Korean commonwealth reunification formula put forward by the South Korean authorities?

[Kim] The South Korean authorities are advocating the theory of the so-called "North-South federation [yonhap]" while opposing our formula of reunification under the confederal system. The South Korean side's theory of North-South federation is entirely different from our formula of founding a reunified country under the confederal system. The "North-South federation" is a "state federation" which is the interim stage of going to "an institutional reunification," and a series of organizations to realize a state federation are nothing but consultative bodies between the two authorities.

The "North-South federation" proposed in the "Korean commonwealth reunification formula" is a splittist formula designed to legalize North-South relations into relations between "two states" and to perpetuate them under the pretext that "North-South federation" is an interim stage of going to an institutional reunification.

There exist two different systems in the North and the South. In this situation, it is clear that it is impossible at present to achieve reunification under a single system. Therefore, this issue should be handed over to future generations.

However, should the North and the South remain divided into two states, confronting against each other, until then? No, they should not. Even before that we should achieve reunification and live as one nation and as one reunified country. The way to achieve this is precisely our reunification formula under the confederal system.

The South Korean authorities' reunification view is very obvious. Seeking reunification under one side's unilateral system is precisely an antireunification act. The South side has sought reunification through victory over communism and through anticommunism for 50 years, but in vain.

Under any circumstances, the reunification question should be solved based on the three principles for national reunification agreed upon by both sides and under the fair confederal system. If the South Korean authorities pin any expectation on "any change" on our side with such an antireunification view, this is foolish, indeed.

As long as the South Korean authorities seek dialogue with us with such a wrong view of reunification, nothing will be solved, and dialogue with us itself is meaningless. Prospects for North-South dialogue and North-South highest-level talks depend entirely upon the South Korean authorities' attitude.

The Collapse of East European Countries Was Due to Subjectivism and Bureaucratism

[Chong] On the occasion of the first anniversary of President Kim Il-song's death, people's attention is focused on Secretary Kim Chong-il's succession to power. There has been much speculation about the timing of Secretary Kim Chong-il's succession to power; some people say it will be on 9 September, and others say it will be on 10 October. Which is correct?

[Kim] Leader [yongdoja] Kim Chong-il's official presidential inauguration is precisely the unanimous will and desire of our party and people. So, I think these will and desire will be realized in due time.

[Chong] What do you think was the cause of the collapse of the former Soviet Union and the East European socialist bloc? Under such circumstances, what do you think of the future of North Korea's "socialism of our own style"?

[Kim] The main cause of their collapse was "subjectivism and bureaucratism." They failed to overcome these questions, so they perished. They failed to truly embody socialism in their countries. They put on a "hat of socialism" just externally. Western capitalist countries say as if all socialist countries in the world had perished. But, that is not true and only the former Soviet Union and the East European socialist bloc have perished.

On the other hand, regarding this issue, socialism of our own style has a clearly different experience from them and stands at a different position. In connection with the question on the future of socialism of our own style. I will answer with the contents as elucidated in the leader [yongdoja] Kim Chong-il's work, "Socialism Is a Science." This work elucidates that the popular masses' independence cannot be realized in a hostile class society based on individualism, and that the popular masses have carried out an exuberant struggle to realize independence over a long period. Socialism of our own style centered on the popular masses reflects this kind of inevitability in the development of history. This is a society wholly coinciding with the intrinsic demand of man. Here lies the basis of the vitality of socialism of our own style and the ground for all members of society to single-heartedly unite.

Today, outside forces opposing us are not easing the offensive to obliterate socialism. Nevertheless, socialism of our own style is not wavering but progressing. Socialism will be revived in countries where socialism has been frustrated, and all mankind's ideal which socialism put forth will be realized without fail.

The Bull Goes His Own Way Even If a Dog Barks

[Chong] Isn't it a practical blow from the economic aspect that the socialist camp has collapsed?

[Kim] Our country currently maintains economic trade relations with some 130 countries. Even before change took place in the former East European socialist bloc, we have been persistently maintaining and developing trade relations with the nonaligned bloc, especially Third World countries. However, obstructive maneuvers by the imperialist forces to deter and agitate this continued. Economic blockades of our country by imperialist countries is not a matter of just vesterday or today. The Scud missile issue can be an example of one of the events that occurred to interfere in our independent economic trade relations. The United States made false charges against us by saying that we were selling Soud missiles to the Middle East countries, and interfered in our normal trade relations with the Middle East countries. They interfered in our just trade dealings

by even threatening us, saying they would forcibly investigate our ships on the high seas. When Bush was president, he said that he hoped there would be a peaceful transfer of power (by dissident forces) in our country. When I heard this I assessed that his desire was only like "hoping a cat would grow a horn." I once said that while waiting for us to be ruined, Bush would probably retire from his position or pass away. Just like our country's proverb, "The bull goes his own way even if a dog barks," we will go our own way persistently.

[Chong] Is the issue of bureaucratism, which you pointed out as the reason for the collapse of the old Soviet Union and the East European bloc, not a product of the planned economic system and collective social system? How is the North Korean society solving this problem?

[Kim] I believe that bureaucratism is the relic of the old society and an expression of antisocialist method. There is no basis for bureaucratism to appear within the socialist system. Moreover, there is no place for bureaucratism which is like reigning over the people's heads in socialism of our own style centered on the popular masses. In the past, authority and bureaucratism appeared in some socialist countries because the building of the party and regime was not carried out correctly in accordance with the mission of serving the people. If struggle and ideological and indoctrination work opposing authority, bureaucratism, and irregularities and corruption are not carried out smoothly under a socialist system, bureaucratism can appear among some functionaries who are not prepared. If this is not overcome at the appropriate time, a grave aftermath which alienates the masses from the party will be brought about. President Kim II-song took strict precautions early on so that such deviations would not appear among our functionaries, and this is being succeeded and developed by the leader Kim Chong-il.

Our socialist system is a society in which the popular masses themselves become masters and develop the society in accordance with their intentions. With the same right, every one of our people sufficiently express and embody their opinions through an established political organization, and work according to their intention and capability. From this point of view, it can be viewed that our system is indeed the most advanced social system sufficiently guaranteeing all the people's democratic freedoms and rights, originality, and initiative.

We Believe in the Warm Brotherly Love of the South's Fellow Countrymen

[Chong] With the division, which has become prolonged, many differences appeared between the South and North. For example, we can view the typical human type of the South and North. The South Korean people feel somewhat unfamiliar with the North's socialist human type which is collective and systematic. What are the advantages and disadvantages of the North Korean style human type?

[Kim] In a nutshell, the political, ideological, cultural, and moral traits of the North Korean people are the most advanced human types which are most in accordance with man's true nature. Collectivism is man's intrinsic demand. Man can reform and change nature and society only through the collective cooperation of members of society, and the individual's demand can be guaranteed according to it. The group's independent demand and the individual's independent demand, which are the common demand of the members of society, can be most magnificently realized only through collectivism. The individual's demand apart from collectivism is changed into the individual's greed. As the proverb goes, "Three villages are ruined because of one rich man," an individual's greed infringes upon the independent demands of other group members, and deters the group's unity and cooperation. We regard such greed as a shame. Our people's mental world and human type is to find the value of life and a worthwhile life realizing their independent demand in the social and group development and devoting their lives for the society and group. It is an ordinary affair for our people to run about to return the money and goods other people dropped, and marry a person who became handicapped while working for the society and the group. This is a part of our life showing a glimpse of our people's lofty human nature. Our people think that before it is a sacrifice for someone else, it is a just repayment for the thankful society and group that guarantee their life and happiness. We can also view this as our nation's lofty public morals of living in harmony with each other and helping each other as a "country of courteous people in the East," in which it has been preserved and elevated to a new height.

[Chong] Then, how do you assess the advantages and disadvantages of the South Korean-style human type?

[Kim] We do not deny the fact that there is a fundamental difference in the capitalistic and individualist outlook on life that dominates the South Korean society. However, we do not view this as absolute. The point of view that one can survive by trampling over others and the individualist human type in which one finds his own prosperity amid someone else's sacrifice, are a result of the inhumane capitalist social society, rather than South Korean fellow countrymen's human nature. This is a manifestation of the intrinsic contradiction of the capitalist social system based on individualism. However, I do not believe that the lofty public morals tradition-

ally possessed by our nation have been completely lost among South Korean fellow countrymen. We are well aware of the warm brotherly love of South Korean fellow countrymen such as Kim Sang-won and his wife, who sincerely cared for the long-term unconverted prisoner old man Yi In-mo. Such human nature and brotherly love are man's true nature, which a capitalist social system cannot obliterate, and it is our nation's inherent national character. We want to believe that this is preciously treasured in the minds of the absolute majority of the South Korean fellow countrymen.

Framework Agreement With EU Discussed

SK0808062995 Seoul YONHAP in English 0530 GMT 8 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 8 (YONHAP) — Vice Foreign Minister Yi Si-yong on Tuesday attended a luncheon hosted by ambassadors from 14 European Union (EU) countries to discuss the signing of the Korea-EU framework agreement and Korea-EU joint declaration on political dialogue by the end of the year, Foreign Ministry Spokesman So Tae-won said.

Spanish Ambassador Carlos A. Zaldivar held the luncheon in his capacity as the ambassador of the chaircountry of the EU, So said.

South Korea and the EU have been working to narrow differences in some sectors before signing the Korea-EU framework agreement, a Foreign Ministry official said. The two sides differ on intellectual property rights, South Korea's ambitious plan to expand its shipbuilding facilities and other trade issues which will be included in the framework agreement. The two, however, have no differences on the joint declaration on political dialogue.

Seoul plans to sign the framework agreement and joint declaration at the same time by the end of the year.

End to 'Superficial' Proposals to North Urged

SK0808120995 Seoul CHOSON ILBO in Korean 8 Aug 95 p 3

[Editorial: "Stop Making Ineffective Proposals to the North"]

[FBIS Translated Text] It has been reported on various occasions that President Kim Yong-sam will make a certain "epoch making" proposal to the North at the 15 August liberation anniversary ceremony. We hope this proposal to the North will have substance that will bring about results. At the same time, it will be better not to make a superficial proposal that has no feasibility.

It is a fact that in the past the president's speech commemorating the 15 August liberation anniversary played the role of a "channel" to make proposals to the North. Therefore, at a time when North-South relations have emerged as an important pending issue, the government's position is that it wants to make some kind of a new proposal and also that it has no other choice but to make a proposal.

If this proposal ends up to be nothing but a mere proposal—just as past proposals to the North ended up only as "proposals" without any results—we hope that this time President Kim will assume a posture of substance rather than a honorific posture so that it will be an opportunity to liquidate the "vain gestures" of the past regarding relations with the North. The people have been greatly distressed over the government's proposals to the North that end up only as an annual event. This is because the government used proposals that had no feasibility merely for publicity without even examining whether North Korea will accept the proposal.

According to a government source, it was learned that the government has been taking pains to find the "kernel" and as a result, it will propose a "two-plustwo" peace agreement system (North and South Korea, the United States, and China). Unfortunately, there is no possibility that North Korea will accept this kind of proposal because the North's position is that only the United States and North Korea can discuss the peace system, eliminating South Korea. The government authority recognizes this as well.

Then, it is clear that the government will make a proposal that North Korea will ultimately reject. Let us just say that the government is once again making "vain gestures" as in the past. Ultimately, through this kind of proposal the government will make the mistake of denying the validity of the Armistice Agreement system and acknowledging the need for a new peace agreement system. If we could expect a practical and rational attitude by North Korea, we could discuss ever so much with North Korea on an alternative for the armistice system. Even though we do not anticipate that it will be brought up, if we refer to the "peace agreement issue," which North Korea persistently brings up, it will result in making South Korea fall into a pit, and it is clear that we will be used by North Korea, which will say: "South Korea also recognizes the need for the peace agreement."

Even though we recognize such a situation, if we unhesitatingly make unrealistic proposals to the North to show the government's very progressive and composed attitude regarding the North Korean issue, befitting that of a commemorative speech by a president, there is concern that in the future the government will be criticized for reversing, rather than advancing, the South-North issue.

President Kim's Political Agenda Reviewed

SK0808024295 Seoul THE KOREA TIMES in English 8 Aug 95 p 2

[FBIS Transcribed Text] Upon returning from his summer vacation, it was business as usual for President Kim Yong-sam Monday except that he appointed former Pusan Mayor Kim Ki-chae as government administration minister to replace So Sok-chae.

So resigned following his controversial remarks that one of two former presidents, No Tae-u or Chon Tu-hwan, has a slush fund amounting to about 400 billion won.

The prime minister ordered the prosecution authorities to launch an investigation of So's allegations. Upon the order, the prosecution will soon question So to determine if his words were a slip of the tongue or based on facts.

An official at Chongwadae said it is totally groundless that So had asked a senior presidential secretary about the possibility of transferring the money supposedly held in false or borrowed name accounts into real name ones.

He said no Chongwadae official had ever been consulted, arguing that such a thing is unthinkable.

Meanwhile, President Kim received his weekly briefing from Foreign Minister Kong No-myong and Yi Si-yun, chairman of the Board of Audit and Inspection.

Chongwadae officials said President Kim is planning to go at his own pace free of the political controversy caused by So's remarks. This indicates that President Kim will reshape the Cabinet and the ruling Democratic Liberal Party in preparation for the second half of his five-year term that begins Aug. 25.

According to his schedule, President Kim will make an important proposal to North Korea to ameliorate inter-Korean relations and issue large scale amnesty on the occasion of the 50th anniversary of National Liberation Day, Aug. 15.

He is to hold a press conference on Aug. 24 to reveal his resolve to steer the nation for the latter half of his term as if he were just sworn in.

The officials indicated that President Kim plans to reshuffle the Cabinet and the ruling DLP [Democratic Liberal Party] this month instead of next month because of the boiling public opinion regarding the slush fund.

Henceforth, the reshuffle of the Cabinet and the DLP will be carried out in a manner of helping the ruling camp with the general elections of lawmakers slated for April next year.

Kim had lunch with DLP advisors at Chongwadae yesterday, requesting their cooperation with his plan to face squarely political developments even though they may be unfavorable for him in the wake of the party's defeat in the June 27 local elections and the controversial remarks of So. Min Kwan-sik was among the advisors at the lunch table.

Kim Won-ki Urges End to 'Three-Kim' Era

SK0808025495 Seoul YONHAP in English 0210 GMT 8 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 8 (YONHAP) — Rep. Kim Won-ki, vice president of the opposition Democratic Party [DP] who has rejected to join Kim Tae-chung's new party, on Tuesday called for the elimination of the "three-Kim" era, which he asserted offers no more hope for the nation and citizens.

"The regional rivalry, a nation-ruining structure created by the military dictatorships, has been further reinforced by the three Kims," Kim Won-ki maintained. "Today's politics represented by the Kim Yong-sam party, the Kim Tae-chung party and the Kim Chong-pil party, can no longer offer hopes for our nation and citizens, nor can it be an alternative."

At a press conference held at the Democratic Party headquarters in Mapo, western Seoul, Kim Won-ki lashed Kim Tae-chung's new party now under creation, by asserting that it "coerces a queuing behind one person, turning backward the hands on the clock of the nation's political history."

Commenting on how to overcome the current crisis of the Democratic Party, Kim Won-ki called on party President Yi Ki-taek to resign to pave the way for an alliance with emerging political groups, saying, "the Democratic Party should provide the foundation of a new political force that will shoulder the responsibility for the forthcoming new era. For this cause, we expect that President Yi Ki-taek will take a resolute step."

As to the issue of convening the party convention, Kim said, "the forthcoming party convention should be an arena of festival, in which all forces aspiring for democracy and reform gather together, declare the liquidation of the old politics, and announce the birth of a new political force," hinting at an intent to invite a prominent outsider to lead the party.

Prosecution Ordered To Probe So's Remarks

SK0708132595 Seoul YONHAP in English 1218 GMT 7 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 7 (YONHAP) — Justice Minister An U-man on Monday evening ordered

prosecutor general Kim To-un that the prosecution make a thorough fact-finding probe into the controversial remarks made by former Government Administration Minister So Sok-chae.

So said at an informal meeting with reporters last Tuesday that a friend of his told him one of two former presidents — Chon Tu-hwan and No Tae-u — has 400 billion won in a secret fund, asking him if there can't be some way to legalize the money.

With the justice minister's instructions, the prosecutorgeneral's office is expected to embark on the probe immediately.

Reports indicated earlier the prosecution were reluctant to undertake the job on the ground that the prosecution are not intended for mere fact-finding business.

Summons of So Likely

SK0808055395 Seoul YONHAP in English 0502 GMT 8 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 8 (YONHAP)

— The Central Investigation Department of the Public Prosecutions Administration (PPA) will possibly summon former Government Administration Minister So Sok-chae as early as Tuesday to question him about his remarks about a former president allegedly holding "secret funds" totaling 400 billion won in accounts not under his name.

So will appear in person voluntarily at the department to answer the questions to cooperate in the prosecution's policy to complete the investigation as soon as possible, a PPA official said.

Before showing up at the department, So will submit a written statement explaining how and why he made the controversial remarks to the PPA in the morning.

But another official said the PPA has not yet decided on whether or not to summon So because it must first examine his written statement.

When he is summoned, the questioning will focus on how and why he told at a dinner with seven reporters from Seoul dailies on Aug. 1 that he had got information that a former president holds funds totaling 400 billion won in false- and borrowed-name accounts from the former president's close associate and who that associate was.

When the former president's close associate is identified, he will be called in for questioning as to if there really are false- and borrowed-name accounts for the former president's secret funds. The National Tax Administration and the Office of Bank Supervision are cooperating in the prosecution's investigation.

If So's remarks are proved true, the investigation may be extended to briberies for political funds in the days of the Fifth and Sixth Republics.

Senior prosecutor Kim Song-ho of the Central Investigation Department said he could not tell how and to what extend the investigation would be made, adding the prosecution would do its best to reveal the truth related to So's remarks.

Funds Allegedly No Tae-u's

SK0708132995 Seoul YONHAP in English 1246 GMT 7 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 7 (YONHAP) — Rep. Kim Won-kil of the National Congress for New Politics claimed Monday evening he is sure the large secret fund at issue belongs to former President No Tae-u.

In a telephone interview with the YONHAP News Agency, Kim said it has been confirmed through testimonies and circumstantial conditions that No had raised a huge amount of secret fund.

"I understand No has been managing the fund through his two businessman-associates." he said.

Kim had been a senior Democratic Party member of the Assembly Finance Committee, and during the previous regular assembly session he first raised the issue of the secret fund of a former president.

Saying he knows who one of the two businessmen is, Kim said the two manage the fund in the form of various financial items such as certificates of deposit (CD), bonds and stocks.

As to the amount of the secret fund of No, Kim said he does not know the exact amount. "But, it is certain the fund runs to 120 billion won at minimum," he said.

He added that it has not been confirmed whether former President Chon Tu-hwan raised a secret fund.

Other Funds Unaffected by Probe

SK0808023495 Seoul YONHAP in English 0142 GMT 8 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 8 (YONHAP)

— The Government will not look into funds held in "non-real name accounts" in spite of the prosecution's fact-finding probe of former Government Administration Minister So Sok-chae's remarks about a former

president's "secret funds" in accounts opened not under his name.

A Finance and Economy Ministry official said Tuesday a wholesale check of funds in false- and borrowedname accounts is out of the question, whatever result the prosecution's investigation may bring about.

He expressed concern about the possibility that the prosecution's investigation into the 400 billion won a former president allegedly holds in false- and borrowed-name accounts will prompt a huge amount of funds to flow out of such non-real name accounts still remaining at banks and other financial institutions, though the real-name financial transaction system was put into force two years ago.

The official said, however, funds held in non-real name accounts could be checked only when a court approves such an examination by issuing a warrant or when holders of such accounts are suspected of having dodged a tax on income accruing from such funds.

If the prosecution discovers a former president's secret funds in false- and borrowed-name accounts and is issued a warrant against such accounts, the funds in these particular accounts can be checked to find out where they came from and for what purposes they were used. But tracing the funds in other non-real name accounts to their sources and uses is barred by law, he explained.

Under the presidential decrees requiring the use of real names in all financial transactions and protecting the secret of financial information, a court, the national tax administration, the Finance and Economy Ministry and other public agencies may ask banks and other financial institutions to provide financial information about their particular customers only when such request specifies the identity of a client and the scope and use of the information requested.

The official, saying the prosecution's investigation is likely to end in determining whether So's remarks on a former president's secret funds are true or not, observed that even if the investigation is extended to tracing the funds at issue with a court's warrant, the investigation would not include accounts, real name or not, other than the particular accounts against which a court's warrant is issued.

Document on Kim Tae-chung's Funding Causes Stir SK0808082295 Seoul YONHAP in English 0748 GMT 8 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 8 (YONHAP)

— While a bombshell revelation by a former cabinet minister of the existence of a huge slush fund allegedly

managed by a former president is hitting the political circles hard, a mysterious document detailing political funds handled by opposition leader Kim Tae-chung is causing further confusion to the political arena.

In view of its timing, the appearance of the document is giving rise to various speculations.

Some political observers opine that the circulation of the mysterious document of unknown origin has something to do with a sudden change in the attitudes of the embryonic National Congress for New Politics (NCNP) with regard to the slush fund scandal involving a former president. The congress, which was passive toward the matter at the beginning, toughened its position this week, convening a special leadership meeting and deciding to file a suit against former President No Tae-u.

The document consists of three parts: Political funds collected and spent by presidential candidate Kim Taechung during his 1992 presidential elections and the June 27 local elections, and political funds managed by Kim Tae-chung himself.

The author of the mysterious document faxed to newsrooms of each political party has vaguely identified himself as "a central committee member, the Asia-Pacific Region Peace Foundation, working at candidate Kim Tae-chung's secretariat." It being difficult to ascertain who the source is, the document appears to be designed to damage Kim Tae-chung's new party. It draws attention, however, as it contains so detailed contents.

With respect to the 1992 presidential elections, the document lists 12 business conglomerates including enterprise "P," that allegedly donated exactly how much money and when between Nov. 25- Dec. 5, 1992, together with the names of fund recipients and places of receipt. [sentence as received]

The writing alleges that 15 small and medium-sized enterprises also handed political funds to candidate Kim, the sum of which, coupled with those donated by the conglomerates, allegedly amounts to tens of billions of won.

For the recent local elections, the document maintains, Kim Tae-chung collected tens of billions of won from influential figures holding the title of his peace foundation's central committee membership and above and Democratic Party [DP] candidates. Names of Tonggyotong faction lawmakers, who handled the funds, are also given in the document.

As to how the funds have been managed, the document has 11-item explanations involving, among others, foreign banks, certificates of deposits, and bank accounts in the names of family members and relatives.

NCNP Spokesman Pak Chi-won dismissed Tuesday the mysterious document as "Nothing but political machinations designed to harm the new party," adding, "We don't even find it necessary to offer an explanation. Without succumbing to any schemes aimed at harming us, we will do our best to the end as we have pledged to the citizens."

A lawmaker whose name is included in the list of people who allegedly donated funds to Kim Tae-chung also denied the allegation, saying, "It is a preposterous, one-sided attempt to harm others."

The Democratic Party which has been calling for thorough investigations into alleged possession of slush funds not only by former presidents but political leaders of the ruling and opposition camps as well, however, reacted differently, saying, "No fire, no smoke."

DP Spokesman Yi Kyu-taek said, "We, in our hearts, want to see the mysterious document prove to be unfounded. But Kim Tae-chung himself should offer an explanation about the document and a thorough probe has to be conducted into it."

NCNP Spokesman Pak, meanwhile, expressed a concern, "we cannot but be worried if the utterances from some quarters of the opposition and machinations originating from the mysterious document of unknown origin might divert attention away from the controversial possession of a huge sum of slush funds by a former president."

The new party apparently suspects that the two developments are aimed at glossing over the slush fund scandal.

Foreign Investment Sees 'Sharp Rise' in 1995

SK0608005795 Seoul THE KOREA HERALD in English 6 Aug 95 p 8

[FBIS Transcribed Text] Foreign investments in the domestic manufacturing sector saw a sharp rise for the first time in four years, the Ministry of Trade, Industry and Energy (MOTIE) said yesterday.

Direct investments in Korea by foreign business concerns totaled \$946 million in the first half of 1995 on an approval basis, a handsome increase of 31.1 percent from a year earlier.

Foreign investments in the manufacturing sector surged 135.6 percent from a year ago to \$461 million in the first six months of the year, whereas the investment in the service sector declined 7.8 percent to \$485 million.

Their investments in textile, clothing, chemicals, machinery and electric-electronics were brisk in the first half, but those in the retail & wholesale and financing sectors were sluggish, the ministry said.

After reaching a record high of \$1,069 million in 1991, foreign investments in the manufacturing sector marked annual declines of 39.4 percent in 1992, 18.7 percent in 1993 and 23.7 percent in 1994.

Meanwhile, investments in the service sector, which saw a hefty increases of 111.9 percent in 1993 and 77 percent in 1994, dropped 7.8 percent in the January-June period of 1995.

The upturn in foreign investments in the manufacturing sector was largely attributable to the strong yen and the Seoul government's policy to actively foster the capital goods industry, a MOTIE spokesman said.

In particular, Japanese companies have increased their direct investments in the domestic manufacturing sector in an attempt to avoid the negative effects of the high yen, he said.

In the meantime, Korean enterprises' overseas investments rose 47.1 percent from a year ago to \$1,331 million in the first half of the year, representing a 40.7 percent rise over the investments of \$946 million made by foreign business concerns in Korea during the same period.

Foreign Software To Get Tariff-Exempt Status

SK0808020395 Seoul THE KOREA TIMES in English 8 Aug 95 p 9

[FBIS Transcribed Text] The government plans not to levy any tariffs on foreign computer software from next year.

A Ministry of Finance and Economy official said yesterday that the zero tariff rate on computer software will not damage the domestic industry because there are few producers of software programs in wide use in Korea.

By not charging tariffs, the government will help local firms quickly import state-of-art foreign software programs to improve their competitiveness or maximize value added. The official said the Customs Law will be revised this year to allow the no-tariff rate system to be applied to foreign software.

Currently, the government levies 8 percent or 40 dollars on Microsoft CD Rom's [compact disc read-only memory] with import prices of 500 dollars. From next year, the government will levy a 8 percent tariff or 16 cents only on the CD Rom itself, its price being 2 dollars. The software price of 498 dollars will be excluded from the tariff calculation.

The Ministry of Finance and Economy decided against including imported semiconductors in the zero tariff plan, rejecting a proposal by the Ministry of Trade, Industry and Energy that imported semiconductors be freed from tariffs to sharpen the price competitiveness of the personal computers and telecommunications equipment Korea sells overseas.

Mugunghwa Satellite's Altitude Below Target

SK0708132395 Seoul YONHAP in English 1159 GMT 7 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 7 (YONHAP) — The Mugunghwa Satellite 1, launched Saturday at Cape Canaveral Air Force Base in Florida, is circling the earth at an orbit 6,351 km below the targeted altitude of 35,786 km above the earth.

An analytical report from Rockheed Martin Co. of the United States, the manufacturer of Korea's first communications satellite, said Monday the satellite failed to reach its targeted altitude because of a loss in the propulsion power of its stage-one rocket.

"Originally Mugunghwa 1 was to enter its stationary orbit above the Solomon Islands at 9:18 AM Tuesday [0018 GMT 8 August]," said a Korea Telecom official. "Because of the setback, however, its entry into the orbit will be delayed for one or two days."

He said the satellite circled the earth five times as of Monday afternoon.

Another Telecom official said the satellite is carrying a 187.5 kg fuel able to cover 10 years and six months instead of 196 kg for 12 years as originally known.

"If and when part of the fuel were used in pushing the satellite into the targeted altitude, the life span of Mugunghwa 1 would have to be reduced to less than 10 years," he said.

Brunei, Malaysia & Singapore

Malaysia

India's Rao Meets King; Addresses Mission Heads

BK0408110295 Delhi All India Radio Network in English 0830 GMT 4 Aug 95

[FBIS Transcribed Text] The prime minister, now on a four-day official visit to Malaysia, today called on the head of the state, King Yang Di-Pertuan Agung [paramount ruler]. Mr. Narasimha Rao explained the Indian efforts and business collaborations with Malaysia, which occupies a very strategic position in the Asia- Pacific region. He also met the heads of Indian missions of the region represented by 12 ambassadors and high commissioners and discussed various problems faced by the missions. The mission heads were advised by Mr. Rao to give adequate publicity to the economic reforms initiated by India.

Addressing the banquet in his honor by the host prime minister in Kuala Lumpur last evening, Mr. Narasimha Rao said the exchange of ideas between Indian and the Malaysian delegations will result in an all-round bilateral interaction and economic and commercial cooperation.

Comments on Enron, NPT, Kashmir

BK0408130795 Delhi All India Radio Network in English 1230 GMT 4 Aug 95

[FBIS Transcribed Text] The prime minister has called upon the international community to work toward a plan for universal disarmament. In his address at the Institute of Diplomacy and Foreign Relations in Kuala Lumpur today on the Post-Cold War Scene — a Blueprint for the Future, Mr. Narasimha Rao said concrete steps in a definite time frame must be taken for universal disarmament. He criticized the attempt to control the peaceful space programs of developing countries who are not signatories to the NPT [Nuclear Nonproliferation Treaty].

Advocating restructuring of the United Nations, Mr. Narasimha Rao said the composition of the Security Council should be such where the large number of developing countries have more say in the forum.

Replying to questions after the address, the prime minister made it clear that Pakistan has no locus standi on Jammu and Kashmir as it is illegally occupying one part of the state. He said terrorism sponsored by Pakistan is still going on because for them it is a low-cost war against India. He said the government has plans to hold free and fair elections in Jammu and Kashmir in three to four months. He reassured the audience that the future of all minorities in India is safe.

On the Enron issue, the prime minister hoped that a way out will be found.

Superhighway Construction Memo Signed With India

BK0308122495 Kuala Lumpur Voice of Malaysia in English 0800 GMT 3 Aug 95

[FBIS Transcribed Text] Malaysia has agreed to provide expert know-how for the construction of 13,000 kilometers supernational highway in India. This is provided for in a memorandum of understanding, MOU, on cooperation in the construction of the supernational highway project signed between Malaysia and India.

Works Minister Datuk Sri S. Samy Vellu signed on behalf of Malaysia and India was represented by its Minister for State Surface Transport Jagdish Tytler. The signing ceremony was witnessed by Prime Minister Datuk Sri Dr. Mahathir and the visiting Indian Prime Minister, P.V. Narasimha Rao, in Kuala Lumpur today.

The highway will link Kanyakumari in the south, Kashmir in the north, Bombay in the west, and Calcutta in East. Malaysia is among the countries bidding for the project.

Disputed Island Not in Pact With Singapore

BK0808094795 Kuala Lumpur THE STAR in English 8 Aug 95

[Report by Harjinder Kaur]

[FBIS Transcribed Text] Singapore — Malaysia and Singapore has signed an agreement on the demarcation of the boundary in the Straits of Johor after 20 years of negotiations.

Foreign Minister Datuk Abdullah Ahmad Badawi and his Singapore counterpart S. Jayakumar signed the historic agreement on behalf of their respective Governments yesterday.

The agreement, which took effect immediately, delimits precisely the boundaries of the territorial waters in accordance with the Straits Settlements and Johore Territorial Waters agreement in 1927.

The agreement was made after several rounds of negotiations and a joint hydrographic survey.

"The 20 years have been worth the wait as we now have a boundary that is certain with fixed points which are listed by geographical coordinates," Abdullah said.

When asked by reporters about the Pedra Branca [Batu Putih Island] issue later, Abdullah said that the pact did not include provisions on the disputed territory. He

added that both countries were having talks on how to proceed to the International Court of Justice with the Pulau Batu Putih issue.

The need for an agreement was first recognised in 1971 when concern arose over reclamation activities and its effects upon navigation. Pollution also soon became another source of concern. Abdullah said the precise delimitation of the boundary would resolve problems relating to navigation and shipping including navigation control, pilotage and port dues.

Ships can also be certain in which waters they were anchoring and from which port to take pilots.

Enforcement action by customs, police and port authorities would also be made easier with the precise boundaries.

Commentary Notes Brunei ASEAN Meeting

BK0808064495 Kuala Lumpur Voice of Malaysia in English 0810 GMT 7 Aug 95

[Station Commentary]

[FBIS Transcribed Text] The 28th ASEAN Ministerial Meeting, AMM, in Brunei had its fair share of historic moment. On the top of that Vietnam's entry as the seventh member, Cambodia also acceded to the 1976 Treaty of Amity and Cooperation in Southeast Asia. With this, both countries move a step closer to becoming full-fledged ASEAN members.

In Myanmar's [Burma] case, the step it took was not only a big one but also very decisive towards regional understanding. The effort, much more meaningful since Myanmar has just emerged from the world's spotlight following the release of its opposition leader Aung San Suu Kyi after six years under house arrest, has added a new chapter for the region, especially Yangon [Rangoon], which had repeatedly come under Western attack whenever the issue of human rights was discussed.

In Brunei, continued Western failure to bring an end the ethnic cleansing and genocide in their own back yard of Bosnia-Herzegovina, had the ASEAN ministers united in deploring the deteriorating situation. In a strongly-worded statement expressing profound anguish at the failure and the paralysis of the United Nations, UN, mission in Bosnia, the ministers called for an end to the UN arms embargo on Bosnia. On its own, Malaysia told visiting United States Secretary of State Warren Christopher, that Malaysia had always given the United Nations Protection Force, UNPROPOR, a chance to be effective in the Balkan conflict even though it had failed thus far.

With Laos wanting to join ASEAN by 1997, and Cambodia aiming for membership in two years, it would indeed be a fitting 30th anniversary celebration for the grouping if they do join by that year. For Malaysia, it would be a joyous occasion as Kuala Lumpur hosts the 1997 meeting.

Being a founder-member, Malaysia envisaged the regional grouping to eventually comprise all the 10 countries in Southeast Asia. ASEAN's seven dialogue partners — Australia, Canada, European Union, Japan, New Zealand, South Korea and the United States — have also expressed their interest to strengthen the dialogue. The AMM and the post ministerial conference were considered very productive and successful, and if there are any doubt that ASEAN differs in views on many issues, then certainly the meeting in Brunei has proven it wrong. For example on the subjects of the East Asia Economic Caucus, EAEC, Asia-Europe meeting, and most important of all on the issue of Bosnia Herzegovina, ASEAN came out with a united position known as the ASEAN position.

However, Malaysia is baffled by Japan's reasons for wanting Australia and New Zealand to be included in the EAEC, and getting Asia Pacific Economic Cooperation, APEC, consensus on its participation. This is because Japan seems to be coming out with additional reasons while it was not yet ready to join the ASEAN-backed caucus.

On the whole, the little hiccups did not in any way cause any problem to ASEAN as they are united in facing whatever issues pertaining to the region.

Mahathir Tells UMNO Not To Set Up Companies

BK0508135795 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 5 Aug 95

[FBIS Translated Excerpt] All UMNO [United Malays National Organization] divisions and branches have been advised to cease setting up business companies. UMNO President Datuk Sri Dr. Mahathir Mohamed stressed that UMNO cannot be used for that purpose and no high-ranking UNMO officials have any interest in any business companies.

[Begin Mahathir recording] I noticed that at least 16,000 new companies have been established just for the purpose of applying for shares or sometimes requesting bids. These companies are competing against the other Bumiputera [ethnic Malay] companies. By going under the name of UMNO, these companies could obstruct the opportunities for other genuine Bumiputera companies. We do not care about the companies that are not genuine. As such, UMNO divisions are advised not

to establish companies under the pretense of providing funds to divisions. They should not say that they represent UMNO divisions, or UMNO, or even state that they have ties with high-ranking UNMO officials. [end recording] [passage omitted]

Singapore

Territorial Waters Accord Signed With Malaysia

BK0708131795 Singapore Radio Corporation of Singapore in English 1000 GMT 7 Aug 95

[FBIS Transcribed Text] Malaysia and Singapore have signed an agreement to permanently fix the boundary between the territorial waters of Johor and Singapore. The accord was drawn up in accordance with the Straits Settlements and Johor Territorial Waters agreement 1927.

Foreign Minister Professor S. Jayakumar has described the agreement as a milestone in Singapore-Malaysia relations.

President Ong on Relationship With Government

BK0708131995 Singapore THE STRAITS TIMES in English 7 Aug 95 p l

[Report by Zuraidah Ibrahim]

[FBIS Transcribed Text] After almost two years in office, President Ong Teng Cheong has said that he and the Government have arrived at a comfortable working relationship.

He described ties as good, stable and evolving. But some Singaporeans, he said, still have misconceptions about the powers of the new-style presidency.

He made this point when asked about his role as Elected President during an interview on Singapore's future landscape to be published in STRAITS TIMES National Day special on Wednesday.

On public perceptions, he noted that he had received feedback and letters from Singaporeans urging him to push for certain policies or to help them personally with problems they faced over policy implementation.

People ought to recognise he said, that it was in only two areas that he had discretionary powers. These are to protect the nation's past reserves and the integrity of the public service.

"On all other matters, I still act on the advice of Cabinet, including petitions for clemency," he said.

"And I continue to perform ceremonial functions."

In the Singapore judicial system, after all court appeals have been exhausted, a convicted person can appeal to the President for clemency. Some prominent appeals in recent years included those by American teen vandal Michael Fay and maid murderer Flor Contemplacion.

In his swearing-in speech in 1993, the President had said he looked forward to sound working relationship with the Government and that the purpose of his office was to institute judicious checks, not create unworkable conflict and gridlock.

To questions during the interview, he said: "There is no quarrel between the President's office and the Government. And I do not expect to see any quarrel as long as an honest and responsible government is in power."

But, in his first public reference to the issue, he acknowledged there had been disagreement over the interpretation of the Constitution on the powers of his office.

At his request, the constitutional conundrum was referred to a special High Court tribunal in April.

It was asked to decide whether the President had the power to withhold his assent on a proposed amendment to the Constitution affecting his powers.

The Government had said that the amendment was needed because the legislation was drafted incorrectly.

The tribunal ruled in it favour, agreeing that the President had no power to withhold his assent on constitutional amendment Bills.

Some have wondered if the case was a "show" to demonstrate the independence of President's office.

But in the interview, Mr. Ong said that he referred the question to the courts because he had a duty and obligation to those who elected him.

"I am not a legal man. My interpretation is based common sense," he said.

"The people of Singapore have given me the power from the elections I went through. That power is to protect the past reserves and the integrity of the public service.

"My view is that only the people can take away this power. In other words the people are supreme.

"But clearly, there is a difference of interpretation between the Government and me."

Was he disappointed by the outcome? "Maybe the arguments were too legalistic for me," he replied.

"Mine was based on a common sense interpretation."

"At the very outset, I said that I would accept whatever ruling the tribunal makes. We have to respect the system."

Looking relaxed in a dark blue suit and maroon tie, the President, who was in politics for 21 years — the last eight as Deputy Prime Minister — was also asked about his cancer.

He said he was in good health and the lymphoma was in remission.

Asked if he had any regrets about leaving active politics for the presidency, he smiled and replied: "At first yes, I was a bit sorry that I have to miss all the excitement. It took me some time to settle down.

"But one gets used to it. It's like anyone changing a job, going through this same experience."

Trade With India Grows 29 Percent

BK0708074095 Singapore BUSINESS TIMES in English 5 Aug 95 p 2

[All figures in Singapore dollar]

[FBIS Transcribed Text] Trade between Singapore and India grew 29 per cent to \$1.89 billion during the first six months of 1995 — indicating that this may be a record year.

Singapore investment in India was equally robust, with approvals touching 1.51 billion rupees (\$72 million) in the January-May period. Singapore is now the eighth largest foreign investor in the country.

Figures released yesterday by the Trade Development Board show Singapore's exports to India surged 46 per cent to \$1.24 billion in January-June, from \$852.8 million in first-half 1994.

Indian exports to Singapore registered a modest 5.4 per cent gain to \$644.3 million, from \$611 million in the first six months of 1994.

The balance of trade was \$603.1 million in Singapore' favour. Singapore-India trade during all of 1994 was \$3.13 billion.

India's primary exports to Singapore in the first half of this year were aluminum, precious stones, telecommunication equipment, man-made fabrics, textile yarn thread and jewelry.

Singapore's domestic exports to India totalled \$571 million. Major contributors were refined petroleum products (\$196.7 million), hydrocarbons (\$64 million) and electronic valves (\$35.1 million). Re-exports totalled \$676.4 million, up substantially from \$444 million in the first six months of 1994.

In the January-May period, the Indian government approved \$1.51 billion of foreign direct investment proposals (FDI) from Singapore.

Cambodia

Khmer Rouge Official Reviews Struggle

BK0808104195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 7 Aug 95

["News conference" by Mak Ben, "minister in charge of rural areas, agriculture, and water conservancy and representative of the Provisional Government of National Union and National Salvation," on 7 August; place not given — recorded]

[FBIS Translated Text] [Mak Ben] I would like to inform the compatriots of the cabinet meeting of the Provisional Government of National Union and National Salvation [PGNUNS] held on the morning of Monday, 7 August of the following:

This Monday, 7 August, the cabinet discussed the struggle waged by our nation and people to end the war of the communist Vietnamese, alliance, and the two-heads, and to achieve national reconciliation and peace. The cabinet has seen the fact that the struggle waged by our nation and people to end the war of the communist Vietnamese, alliance, and two-heads and to achieve national reconciliation and peace is currently proceeding both vigorously and steadily in the countryside, in Phnom Penh, and abroad.

The root cause for this valiant and consistent struggle is that our entire nation and people clearly see the worsening situation of our country, which is deteriorating in all sectors.

This all-round worsening situation is the consequence of the unending war of destruction of the communist Vietnamese, the alliance, and the two-heads that has lasted for 16 to 17 years now. The victims of this war of the communist Vietnamese, the alliance, and the two-heads are our entire nation and people of all social strata, from all families, and in every village and district, all of which have been razed to the ground. The communist Vietnamese have committed aggression against Cambodia, massacring the Cambodian nation and people and exterminating the Cambodian race. They have sent over 4 million Vietnamese nationals to seize all the water, land, seas, ponds, streams, and the economy of our nation and people. Meanwhile, the alliance has come to cooperate with communist Vietnam to integrate the two-heads and continue fuelling the communist Vietnamese war to massacre our nation and people.

Our entire nation and people have nurtured great indignation against the race exterminator, communist Vietnam; the alliance; and their lackeys - the two-heads. Our entire nation and people have risen up to wage a valiant and consistent struggle to defend themselves and their nation, people, and race until today. All forms of struggle have been waged everywhere, in the countryside and in cities, in order to salvage our nation and prevent our Cambodian race from being exterminated by the communist Vietnamese. The fact that the two-heads are intensifying their fascist acts against our nation and people clearly attests to their utmost isolation from our entire nation and people and to the all-round disintegration, agony, and downfall suffering by the two-heads. The two-heads are plunging toward their doomsday. No one can save them from their death throes.

It is this situation of endless suffering over the last 16 to 17 years that has caused our nation and people to struggle for national salvation. This struggle waged by our nation and people to move on toward ending the communist Vietnamese war and achieving national reconciliation and national salvation has kept growing and becoming even more energetic. Nothing can stop this struggle.

As for the people and masses in Phnom Penh, including students, pupils, journalists, civil servants, and political persons, they have struggled arduously with lofty heroista right inside the lair of the two-heads. They have struggled for the settlement of all problems, both national and social problems, and to demand democratic rights and freedoms and genuine respect for human rights, and to oppose the fascist acts and arch corruption committed by the two-heads.

Our National Union Party [NUP] and PGNUNS would like to express our respect, commendation, and firm and resolute support for the movement of the fraternal people who have struggled and are struggling valiantly and arduously with lofty national spirit to jointly put an end to the communist Vietnamese war and achieve genuine national reconciliation and peace.

Our NUP and PGNUNS stand firm on their unswerving position as clearly defined in their political program, that is, to assist and support any political parties, mass organizations, or individuals who pursue a national policy and think of Cambodia's national union.

In the past, we have united and struggled for the interests of the nation and the people. We are now uniting in the struggle for national salvation. In the future, we will continue to rally all our forces of national union, letting bygones be bygones and not taking into consideration any political affiliations, working within the framework of an independent, sovereign, peaceful,

and neutral Cambodia having its own territorial integrity and functioning in a multiparty democratic system and a market economy as in ASEAN countries.

The national and social problems are so complex and serious that no one can shoulder or resolve them alone. Only with all national forces jointly strive to settle them step by step can these problems be resolved. All national forces must rally within a great national union so that we will have national harmony and sufficient forces to solve national and social problems, build the country, develop the economy, and improve the people's livelihood.

The NUP upholds the policy of national reunification, national reconciliation, national unity, and great national union so as to have sufficient national forces to defend and build the country. These are the ideals and fundamental political goals of our party. Our NUP and PGNUNS strive to do anything possible so as to realize the ideals and goals of national reunification, national reconciliation, and great national union, and not to tear at each other nor fight against one another so as to seize power.

These are all the main points raised at the 7 August cabinet meeting that I would like to relate to all compatriots.

[Correspondent] Thank you, Excellency. On behalf of the PGNUNS radio, I would like to ask you the following question: The two-heads have intensified their fascist acts and created more fascist laws against our nation and people. What is the stand of the NUP and PGNUNS on this?

[Mak Ben] The present two-headed regime is an arch tratorous, nation-selling, and corrupt regime. It is a fascist regime. There are no democratic rights and freedoms under it. The journalists only wrote about the facts to stop the two-heads from committing traitorous and nation-selling acts and from plundering the nation and people. Just because they wrote about the facts, the two-heads arrested, detained, and assassinated them in a most barbarous manner. The two-heads painted them like this or that only because they demanded their rights and freedoms. The two-heads also slandered and painted the people like this and that, detained them, and killed them like beasts only because they demanded the return of their land. The two-heads liquidated and intimidated the politicicans only because they called for national reconciliation and an end to the communist Vietnamese war to kill our fellow Cambodians

This is why our people have struggled everywhere to end the war and achieve national reconciliation and peace. This trend is so tremendous that nothing can block it. [Correspondent] Thank you, Excellency.

Khmer Rouge Rejects Claims of 'Unclear' Border

BK0408120995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 3 Aug 95

[FBIS Translated Text] The Provisional National Committee To Oversee the Sovereignty and Territorial Integrity of Cambodia [PNCOSTIC] has just received a reliable report that on the orders of the aggressor communist Vietnamese, the two-heads — through that shit Ranariddh — recently deceived the national and international communities by saying that the Cambodian border is unclear.

On this matter, the PNCOSTIC knows very well that Cambodia has clear borders in the east, west, north, and south. The border has been officially recognized by the international community as defined in the 1:100,000 map used between 1963 and 1969.

The two-heads echoed the Vietnamese announcement on the unclear border because they are traitors who have served the aggressor communist Vietnamese strategy of expansion, annexation, and race extermination against Cambodia. The two-heads made this dubious announcement in an attempt to conceal Vietnam's aggressive acts of nibbling Cambodian territory and to allow Vietnam to nibble more Cambodian territory at will.

The PNCOSTIC resolutely opposes and vehemently condemns the aggressor communist Vietnamese as well as the traitorous two-heads, who have made dubious announcements on Vietnam's orders in an attempt to deceive the national and international communities on the border question. The PNCOSTIC wants sufficient national forces to safeguard Cambodia's territory permanently. The PNCOSTIC, along with Khieu Samphan's Provisional Government of National Union and National Salvation, will continue to struggle until the communist Vietnamese war of aggression and the traitorous two-heads are finished and a genuine national government is established with the participation of all patriotic forces to resolve all national and social problems.

3 August 1995

The Provisional National Committee To Oversee the Sovereignty and Territorial Integrity of Cambodia

Rangsi Initiative To Set Up Alliance Welcomed

BK0708030695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 5 Aug 95

[FBIS Translated Text] Chhean Van, former prime minister; Sean Pengse, former minister of industry, mines, and handicrafts; and (Tit Chhean), former national police chief, issued a joint communique on 29 May 1995 expressing support for [former Finance Minister] Sam Rangsi's initiative to set up a new political alliance [sampoan noyobai] to oppose the two-heads, including Hun Sen, Chea Sim, Ranariddh, and Sar Kheng, who are traitors to the nation, warmongers, and most corrupt.

The new political alliance has a 10-point political program and is aimed at:

- 1. Ending the communist Vietnamese war of aggression;
- Restoring peace and national reconciliation in Cambodia:
- Opposing the most corrupt practices of the two-heads;
- Solving the problem of illegal Vietnamese immigrants in the country.

Cambodians at home and abroad have vigorously endorsed the political platform. They have lent full assistance and support to Sam Rangsi's new political alliance.

Sar Kheng Comments on Illegal Immigrants

BK0808094595 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 7-8 Aug 95 p 5

[Report by Rosa]

[FBIS Translated Text] Sar Kheng, deputy prime minister and co-minister of interior, said at the Interior Ministry's monthly meeting held on 4 August 1995 that "the Interior Ministry will not create centers for immigrants." The meeting was attended by provincial governors and their deputies as well as provincial police chiefs and their deputies.

The deputy prime minister added that foreigners found to have entered illegally must be sent back to their original countries, meaning they must be sent back out through the ports of entry they used to come in. As for those having been here a long time, we should keep them in the areas where they are. If illegal immigrants are found by the police in any hotels or houses, their owners will be held responsible.

Sar Kheng said the creation of the centers would not only need a budget to sustain those immigrants, but would also affect human rights. If a center for immigrants is set up, he added, it is certain that people will shout that we are violating human rights. Moreover, if they are not well fed, these immigrants will surely start screaming.

Sar Kheng also disclosed that the talks on illegal Vietnamese immigrants held in late July ended inconclusively. The Cambodian side, he added, wants to solve the problems of the Vietnamese presently left stranded along the border, especially at Chrey Thom [Kandal Province], and those already in Cambodia separately, but the Vietnamese side wants to resolve those problems simultaneously. The deputy prime minister also said that we want to solve the problems on a legal basis while Vietnam wants to have them resolved based on the concrete situation. Thanks to the legal basis, the issue of the 13 Vietnamese families, who had the proof of identity cards from the Sangkum Reas Niyum era, has been solved once and for all.

No less than 2,000 Vietnamese are now living at Chrey Thom. The Cambodian Government wants to hand illegal Vietnamese immigrants back to the Vietnamese Government and allow those having proper legal documents to stay in Cambodia, but Vietnam opposes the repatriation of the Vietnamese settlers.

At the meeting, Deputy Prime Minister Sar Kheng also ordered governors of border provinces to deploy forces to turn away illegal immigrants. Along with this, he added, province and city authorities should also compile statistics to control foreigners living in their localities. Anyone found to have entered contrary to the law must be expelled, no matter what.

Indonesia

Article on U.S.-Japanese Competition in Vietnam BK0708103995 Jakarta MERDEKA in Indonesian 4 Aug 95 p 6

[Article by Dr. H. Ruslan Abdulgani: "The United States, Vietnam, and Japan in the New Situation" passages in italics published in English]

[FBIS Translated Text] "We underestimated the power of nationalism to motivate a people — in this case the North Vietnamese and Vietcong — to fight and die for beliefs and values. And we continue to do so today. Our misjudgments of friends and foe alike reflected our profound ignorance of the history, culture and politics of the people in the area." (by Robert S. McNamara, former U.S. Secretary of State in his book entitled "In Retrospect, The tragedy and lessons of Vietnam".)

Similarities and Differences Between Indonesia and Vietnam

The celebration of our 50th national day coincides with the remembrance of the 50th anniversary of the end of the Pacific war. The end of the Pacific war 50 years ago did not signify the end of war in the Asia-Pacific region. No! The Asia-Pacific region is likely to face more wars. Indonesia fought a war against the British and Netherlanders in a bid to purge colonialism from 1945 to 1950. Vietnam was at war with the United States and the French from 1945 to 1975. The Korean peninsula became the grounds for military confrontation between the two antagonistic Cold War blocs from 1950 to 1953.

Indonesia and Vietnam have similarities and differences in the wars they fought. The similarities are that the wars were sparked by their respective people's struggle to free themselves from the shackles of Netherlander and French colonialism.

The two antagonistic Cold War blocs did not participate in Indonesia's war against colonialism. The Soviet Union and the United States remained neutral. They were far more sympathetic toward Indonesia than the Netherlanders. This was not the case with the war in Vietnam. The Soviet Union and the PRC supported North Vietnam while the United States supported the South Vietnamese pupper regime.

Cold War

The Cold War penetrated into Vietnam. This was because communism seeped into the North Vietnamese people's movement, which embraced true nationalist ideals. Also, North Vietnam is geographically close to China, which was then a radical communist state. It is not surprising why Vietnam was divided. South Vietnam had a feudalistic and unnationalistic regime that was not supported by the people. This regime became the puppet of the United States and France. North Vietnam had a people's government based on a combination of nationalism and communism. The Soviet Union and China supported the regime.

Even though the United States supported the South Vietnamese regime by providing military aid and modern weapons for its air and land forces, it failed to repress the Vietnamese people's struggle. In 1975, the United States was finally forced to withdraw its military forces from South Vietnam. More than 1 million Vietnamese troops and people died in the war. At least 58,000 U.S. troops also died in the brutal war, while more than 150,000 Americans were badly injured. It is estimated that the war in Vietnam cost the United States approximately \$200 million.

McNamara's Confession

Recently, former Defense Secretary Robert S. McNamara candidly exposed the U.S. tragedy during the post Asia-Pacific war period. Defending himself, Robert S. McNamara wrote a book entitled "In Retrospect — The Tragedy and Lessons of Vietnam, published in 1995. According to an excerpt from the book, the source of the U.S. political mistake in Vietnam was its underestimation of the strong and powerful nationalist spirit of the North Vietnamese people and the Vietcong in South Vietnam, who were willing to sacrifice their lives in the fight for their beliefs and values. The United States has continuously made the same mistake up until this day.

Robert S. McNamara wrote that the misjudgments of friend and foe alike reflected a profound ignorance of the history, culture, and politics of the people of Southeast Asia. This confession came a bit late, but it was an honest confession. Foremost was the confession regarding the powerful nationalist spirit rather than communism that radiated within the Vietnamese people in their struggle against the previous colonialists. It was clear that the power of nationalism ranks superior to that of communism in the struggle against colonialism.

This is a good lesson for us to learn from the experiences of the Vietnam war. Nationalism remains superior to communism in connection with other global incidents; for example, this could be seen in the collapse of communism in the Soviet Union, Eastern Europe, and Yugoslavia.

Meanwhile, problems remain in connection with the U.S. reconciliation with Vietnam. On the one hand the United States is still reeling from the trauma, while on the other hand it has realized that it would lag behind if it did not join in Vietnam's development process quickly—particularly behind Japan.

Japan's Entry

Numerous Japanese advisory teams on economic development have visited Vietnam because Japan has made active efforts recently to invest in Vietnam. The Japanese business sector is attracted to the cheap Vietnamese labor that is comparatively much cheaper than its own. Apart from this, Japan is very interested in exploring and exploiting Vietnamese oil resources. This is currently being undertaken by several American companies. In fact, oil tankers from the Gulf of Japan ply Vietnamese waters. For these reasons, Japan considers Vietnam a new link in its effort to enhance relations with Asian nations in general and with the Southeast Asian nations in particular. This is to enhance its burgaining position regarding U.S. endeavors.

In connection with the 50th anniversary of the end of the Pacific war and the 20th anniversary of the end of the Vietnam war in 1975, Vietnam has become one of Japan's major overseas targets. Japan and the United States were bitter enemies 50 years ago, but Japan was compelled to become a U.S. ally after the war. As it is currently an independent nation, Japan wants to free Vietnam from compulsive U.S. control.

As such, Indonesia should jointly and carefully observe the new dynamism directed toward the new configuration of Southeast Asia.

Suharto, Hashimoto on Upcoming APEC Meeting

OW0308115695 Tokyo KYODO in English 1138 GMT 3 Aug 95

[PBIS Transcribed Text] Jakarta, Aug. 3 KYODO — Indonesian President Suharto said Thursday [3 August] be will extend his full support to realize the success of an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum to be held in Osaka in November.

Suharto made the comment in a meeting with Japanese International Trade and Industry Minister Ryutaro Hashimoto at the Bina Graha Presidential Office.

"President Suharto mentioned that he is willing to give support at the levels of APEC senior officials, ministers and leaders." Hashimoto told reporters after the meeting.

"He also expressed his support to the Government of Japan to coordinate positions of APEC member economies on guidelines for an action agenda to be announced at the Osaka meeting," he said.

Hashimoto arrived Wednesday in a bid to coordinate positions on guidelines for the action plan to realize liberalized trade and investment by 2010.

APEC Groups australia, Canada, China, Hong Kong, Japan, Mexico, New Zealand, Papua New Guinea, South Korea, Taiwan, the United States and the seven members of the Association of Southeast Asian Nations (ASEAN) — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and recently inducted Vietnum.

Hashimoto praised Jakarta's announcement of the Bogor Declaration at the APEC meeting last year, saying the most important task at the upcoming forum is realization of the action plan as a step toward implementing the declaration.

The minister is scheduled to leave Jakarta for Hong Kong Thursday evening, followed by a two-day visit to Manile.

Alatas: Decision on Envoy to Australia Made

BK0708144395 Jukurta Radio Republik Indonesia. Network in Indonesian 1200 GMT 7 Aug 95

[FBIS Translated Text] Foreign Minister Ali Alatas said Australian Foreign Minister Gareth Evans has the power to decide on the criteria needed for Indonesia's candidate as the new ambassador to his country, but the final decision rests with the Indonesian Government.

Speaking to reporters in Jakarta this morning, Foreign Minister Ali Alatas stated that the selection of the candidate for the post of Indonesian ambassador could easily be made but the final decision rests with the Indonesian Government — whether to accept or reject the selection.

Speaking earlier in an interview with Australian TV, Gareth Evans stated that the Canberra government desires that the new Indonesian ambassador to Australia be free from any involvement in East Timor issues.

Daily Marks 28th Anniversary of ASEAN

BK0808094995 Jakarta SUARA KARYA in Indonesian 8 Aug 95 p 5

[Editorial: "ASEAN Is Facing the 21st Century"]

[FBIS Translated Text] ASEAN is 28 years old today. When ASEAN was established in 1967, the Cold War was raging in the world. The main bond, though not explicitly stated, was a common perception about a communist threat from North Vietnam and the PRC. The subsequent fall of the whole of Vietnam to the communists caused anxiety among noncommunist Southeast Asian countries. The domino theory, though rejected by many parties, had an indirect impact on the attitude of the noncommunist Southeast Asian countries. ASEAN was established to face the communist bloc and maintain stability in Asia.

The creation of a ZOPFAN [zone of peace, freedom, and neutrality] has become ASEAN's main objective. Efforts to create the ZOPFAN faced obstacles that seemed impossible to overcome. The PRC and Vietnam were regarded as threats, while the United States and the Soviet Union maintained military bases in Asia. Terrible civil wars raged in Cambodia and Laos. Efforts to create the ZOPFAN and turn ASEAN into an integral organization were very far from reality. ASEAN, as an association of Southeast Asian countries, should have included Vietnam, Cambodia, Laos, and Burma, which adhered to ideologies different from those of ASEAN members.

Under these circumstances, ASEAN, which was established as a forum for political cooperation, later tended to emphasize economic cooperation. Intra-ASEAN trade increased drastically thanks to the impressive economic growth of its members. The rapid pace of economic cooperation among ASEAN members was reflected by their readiness to implement the AFTA [ASEAN Free

Trade Area] on 2003 or earlier. However, the realization of the ZOPFAN seemed stagnant.

The end of the Cold War, capped by the signing of the START [strategic arms reduction talks] in Moscow on 31 July 1991, caused ASEAN to face a complicated new era. In Europe, the end of the Cold War facilitated efforts to maintain common security and led to the CSCE [Conference on Security and Cooperation in Europe]. Conflicts in the former Soviet Union and the former Yugoslavia have been localized. However, the situation in the Asia-Pacific region is different. The United States, the PRC, Russia, and Japan as big powers, which frequently have conflicting economic interests or border disputes, are present in the region. Under these cirmcumstances, local conflicts in the region can, potentially, provoke interference by big powers.

The role of Southeast Asian countries in maintaining stability in the Asia-Pacific region has therefore become very important. ASEAN needs to invite Indochinese countries (Vietnam, Cambodia, and Laos) to become ASEAN members to enable itself to play its role effectively. Vietnam was admitted as the seventh ASEAN member at the ministerial meeting in Brunei Darussalam at the end of last month. Burma and Cambodia are expected to be quickly admitted as ASEAN members. With the entry of all Southeast Asian countries into ASEAN, ASEAN will find it easier to overcome local conflicts that could jeopardize regional stability.

The unity of the Southeast Asian countries within ASEAN will be a important prerequisite for ASEAN to play its role in maintaining a balance of power and stability in the Asia-Pacific region, which will become a dynamic region in the 21st century. The ASEAN Regional Forum will in turn be heard by the world.

East Timor Resistance Spokesman on Amnesty News

LD0708164095 Lisbon Radio Renascenca in Portuguese to Europe 1030 GMT 7 Aug 95

[FBIS Translated Excerpt] The East Timorese Resistance reported that at least eight East Timorese people were killed by Indonesian soldiers in July. The National Council of the East Timorese resistance says that the 745th Indonesian battalion was responsible for the deaths, which took place in Baucau and Dili. The council also reported that there were dozens of arrests and dozens have gone missing. Roque Rodrigues, of the National Council of the East Timorese Resistance, said that this action by the Indonesian military only proves that the East Timorese Resistance is active:

[Begin Rodrigues recording] The resistance is well, alive, and this comes to contradict propaganda by the Indonesian regime. It is exactly due to the fact that the resistance is alive — including its armed wing, the FALENTIL — that it becomes necessary for the invader to keep an excessive military presence inside the territory, not only keeping it engaged in operations against FALENTIL units. [end recording] [passage omitted]

[Begin Rodrigues recording] Indonesian brain-washing operations have been very frequent. These go on the increase whenever there is a visit to the territory by an international delegation, or when there is an important date like the 50th independence anniversary. [end recording]

In the meantime, the Indonesian authorities announced, through the Indonesian official agency, that at least 494 East Timorese prisoners will have their sentence reduced on the 50th independence anniversary. The East Timorese Resistance says it does not believe this and that it will have to wait and see:

[Begin Rodrigues recording] We heard that some 500 prisoners will be affected by the amnesty. We would rather wait and see. The Indonesians are not exactly a good example of keeping their own word. On the contrary, we only need to look at all the promises it made, for example, in relation to improving human rights conditions. The Indonesians never kept their word. [end recording] [passage omitted]

Observers Comment on National Economic Situation

BK0708115795 Jakarta REPUBLIKA in Indonesian 8 Aug 95 p 4

[FBIS Translated Text] Jakarta — Dr. Sritua Arief, a local economic observer, presented a proposal for economic reform in Indonesia at a seminar on the People's Economy and Development Paradigm. He expressed his concern over the condition of Indonesia's economy at the one-day seminar organized by a nongovernmental organization, Village Development Secretariat, in Jakarta yesterday.

"Indonesia's economy is in a critical state," he said. Currently, Indonesia's economic surplus is still being exploited by the foreigners.

Quoting data from the International Monetary Fund, Dr. Arief said that the cumulative value of foreign investment in the country reached U.S. \$5.775 billion (about Rp [rupiah] 12,705 trillion) in the balance of payments for the 1973-1990 period. On the other hand, the cumulative value of foreign investment transferred

from Indonesia to overseas reached \$58.858 billion (about Rp 129.489 trillion).

"This shows how critical our economy is. We have been cheated by the enticement of foreign investment. Actually, they are none other than our economic exploiters," he said.

Citing an example, he said this means for every one dollar that enters the country, it is followed by 10.19 dollars that go out of the country. Arief believes that this is due to the high component of money resources in the country used for funding foreign investment component.

On foreign debt problem, he said that Indonesia is in the 'fisher paradox' [preceding two words in English] position, meaning the foreign debt installments situation is worsening. This is indicated by the swelling cumulative foreign debt.

The government substantially seeks new debt to pay installments and to repay previous debts. This is because the value of the debt installments plus the interest is getting bigger than the amount of foreign debt. There is therefore a net transfer [preceding two words in English] of financial resources to the foreign creditor.

For example, based on 1994 World Bank data, the payment of government's long- and medium-term foreign debt installments reached \$41.4 billion (Rp 91.08 trillion) between 1980-1993 period. Within the same period, the government's foreign debt increased to \$69.4 billion (about Rp 152.68 trillion).

He is afraid that the people's economy is going to heat up if the authorities do not change the economic management to one that is more caring regarding the livelihood of the people. For this reason, he suggested that the process of social transformation should be followed by structural changes too.

Dr. Arief stressed that he did not fully trust the economic recommendations made by the World Bank. One of the reasons was, the World Bank did not suggest a wage increase and this will reduce Indonesia's product competitiveness.

"That is not logical. Indonesian's purchasing power will not increase if the workers' wages remain low," he said.

On the same occasion, Professor Dr. Lockman Sutrisno, University of Gajahmada University's rural economic observer, said that the economic concept that is propeople's economy managed by the government is a political concept. However, all this while the government sees it as an entirely economic concept.

He reiterated that if we want to implement an economic concept that favors the people, something like political deregulation has to be enforced. He hinted that it was useless to give a fishing rod to a weak economy as long as monopoly, connections, nepotism are dominant features in national economic development.

Thailand

Government Urged To Review Policy on Burma BK0708024295 Bangkok THE SUNDAY NATION in English 6 Aug 95 p B2

[Article by Rita Patiyasewi: "Thailand's Policy on Burma Must be Given New Direction"]

[FBIS Transcribed Text] Thailand's two-track policy towards Burma has often landed the country in deep water. Inconsistency among Thai policy-makers has destabilised conditions along the Thai-Burmese border and subsequently deteriorated the government's relationship with the ruling State Law and Order Restoration Council [SLORC].

Time and again, academics, opposition politicians and non-government organizations have strongly criticized Bangkok's policy of "constructive engagement", giving rise to the question of who actually benefits from the policy.

As such, Thailand has been urged by many to seriously review its controversial policy with Burma and to clarify the direction of its future relationship with its western neighbour.

The futility of maintaining a policy that establishes positive relations with Slorc while at the same time forging shady relations with minority groups fighting for greater autonomy from Rangoon was underlined almost immediately after the junta seized power in a coup in 1988.

Thailand gained the dubious distinction of being the first country to recognize Slorc's illegal rule when the then army chief Gen Chawalit Yongchaiyut visited Burma in December 1988.

That same year, Gen Chawalit came in for strong criticism from Thai student leaders and NGOs [nongovernmental organizations] for arranging the repatriations of several hundred Burmese students without any guarantee of their safety back home.

In all, more than 100 students were sent back to an unknown future in exchange for access to Burma's natural resources according to several academics and human rights agencies.

In 1990, when Slore refused to acknowledge the victory of the opposition National League for Democracy in the May 1990 general elections, the Thai military sent a

soccer team for a friendly match in Rangoon with Gen Chawalit as the guest of honour.

After the unexpected release of Burma's pro-democracy leader Aung San Suu Kyi from nearly six years of house arrest, it is perhaps the right time for a change in Thailand's approach towards its western neighbour. The Thai policy is badly in need of reform and a sense of unity and direction.

The Foreign Ministry should be in control of the direction of the new policy towards Burma and should not leave it in the hands of the military and the National Security Council, several members of which have either developed a completely distorted picture of Burma or have cultivated vested interests in the country.

Critics and academics have often debated and tried to formulate a new approach to replace the "constructive engagement" policy. In many forums, like one held over a week ago at Thammasat University, panel speakers agree the "constructive engagement" policy only benefits selective groups of people.

"The (constructive engagement) policy might have contributed to some positive economic changes in Burma, but economic gains should not be the sole rationale for the policy," said Phalang Tham MP Suthin Nopphaket.

"No doubt every country wants to progress but the practise of obtaining benefits in complete disregard of the rights of the Burmese people should be discouraged."

Suthin, the former chairman of House committee on foreign affairs and human rights, over the last two years has called on the government to revise its policy, arguing it would be more effective to deal with Slorc through dialogue.

"Dialogue does not constitute interference and it should be something that both sides can accept," he said.

He disagreed with previous governments' stance of noninterference in other country's internal matters, saying it was time for Thailand to reconsider the idea for the sake of a more peaceful coexistence between the two countries.

"The Foreign Ministry must take the lead and adopt a pro-active stance and not wait to tackle problems when they occur," he said.

Suthin called for a transparent foreign policy and changes in the attitude of Thai politicians and authorities.

He also urged law enforcement officers to stop sexually harassing young Burmese girls, many of whom are forced into prostitution and later arrested by Thai police. "How can we call this constructive engagement," he said.

Foreign Minister M.R. Kasemsamoson Kasemsi, while rejecting accusations that he is trying to pursue a "double-edged policy" towards Burma, last week instructed the Thai Ambassador to Rangoon Poksak Ninubon to pay a visit on Suu Kyi.

The visit, which took place only after Kasemsamoson cleared the matter with his Burmese counterpart U Ohn Gyaw, was a positive step and can be seen as a indicating gradual progress in Thailand's attempt to establish contacts with Burmese opposition or prodemocracy groups.

In the past, Thailand as well as other Asean members, avoided any such contacts for fear of antagonizing Slorc, which considers the activities of Suu Kyi and others the domestic affair of Burma.

Kraisak Chunhawan, a personal adviser to former prime minister Chatchai Chunhawan, criticized Slorc, saying Suu Kyi's freedom was a publicity stunt which would allow Burma a smooth entry into Asean.

Although resource-rich Burma is attractive economically, the Thai government should integrate it into the regional grouping only when Burma makes significant improvement in human rights and democracy issues.

"There remain some 50 well-known political prisoners and hundreds of others who are still locked in jail," he said, quoting figures from the London-based Amnesty International.

Kraisak has urged the government to adopt a more humanitarian attitude towards Burmese refugees, citing the Indian policy towards the Burmese fugitives there.

In India, exiled Burmese are provided access to academic studies and enjoy a certain freedom in conducting peaceful political activities.

"Over 30 temporary refugee camps along the border should be transformed into permanent ones with possible access to the International Committee of the Red Cross, the UN High Commissioner for Refugees and other private relief agencies," he said.

"Over thousands of Burmese students here should be given the right to pursue higher education, to freely travel and work," he added.

Suu Kyi's release was only the first-step in democratic reform in Burma. Slore, in fact, has not taken any other steps since it began its rule in 1988 to show that it is serious in bringing about political, if not democratic, reform, in Burma.

Slore, from the very beginning, neither had the public mandate nor the right to rule and it should be told so. Thailand as well as the other members of the international community has to prove its commitment to democratic changes in Burma and continue to provide strong moral and political support to the Burmese opposition.

Cambodian Forces Warned Not To Near Border

BK0508145995 Bangkok BANGKOK POST in English 5 Aug 95 p 6

[FBIS Transcribed Text] Ubon Ratchathani — Suranari Task Force Commander Maj-Gen Sanan Maroengsit yesterday warned Phnom Penh forces not to encroach on Thai territory during its new offensive against Khmer Rouge-controlled An Ma Pass or risk retaliation.

Maj-Gen Sanan said any fighting at the Pass that spills over and causes Thai casualties or damages Thai properties would be strongly retaliated.

The Pass straddles the border in Ubon Ratchathani's Nam Yun District.

The task force commander issued the warning after receiving intelligence report that the Phnom Penh Army had reinforced its forces in Preah Vihear's Choam Khsan District to be used as a military base to launch the new offensive to retake the strategical An Ma Pass, about 10 kilometres from Nam Yun District.

Choam Khsan District is about 15 kilometres from An Ma Pass.

The Khmer Rouge seized An Ma Pass from Phnom Penh forces early last month.

Phnom Penh forces attacked the pass on July 23-24 but failed to retake it owing to stiff resistance from Khmer Rouge guerrillas.

"This Pass is very important for them (Phnom Penh) as it is a strategic site. Anyone who controls it would control an access to get essential commodities from the Thai side.

"They will try their best to retake it. But whether they could do it is another matter," Maj-Gen Sanan said.

Maj-Gen Sanan, the former Second Army's 6th Division commander, said he hoped that Phnom Penh forces would respect Thai sovereignty and should be cautious in their new military drive against the Khmer Rouge whose base straddles the border.

"We have made it clear to them that any casualties on our side would be promptly retaliated with force. "Usually, we would fire warning shots to warn them. But if we consider that stray shells are intentional, we would retaliate," said the commander who is directly responsible for security' along the Thai-Cambodian border in Ubon Ratchathani, Sisaket and Surin provinces.

Cambodian military officials earlier alleged that Thai soldiers deployed in Ubon Ratchathani's Nam Yun District had given military assistance to Khmer Rouge forces who were fighting to defend An Ma Pass.

They claimed the Khmer Rouge had their bases on Thai territory.

Col Niphon Siriphon, Sixth Regiment commander, responsible for security in Ubon Ratchathani, admitted that artillery shells were fired into Cambodia last month while Phnom Penh forces fought hard but failed to recapture An Ma Pass.

However, he said that this was done after about 100 mortar and tank shells landed on Thai territory in Nam Yun District on July 23-24.

Half of these shells fell on Thai military outposts located on An Ma Pass to monitor military development in the area.

Col Niphon said several warning shots were fired to warn Phnom Penh forces but when they did not heed the army's warning shots and continued to shell Thai territory the army fired more artillery shells into Cambodia.

The regiment commander said it was the inefficiency of Phnom Penh soldiers which prevented them from recapturing An Ma Pass from the Khmer Rouge.

"When they fought and failed to accomplish their military mission (to seize An Ma Pass) then they put the blame on us," said Col Niphon, adding that three T-55 Russian-made tanks were also used during last month military drive.

Recalling the fighting on July 3 when Khmer Rouge forces spent only 10 minutes to capture Phnom Penh's military outpost on An Ma Pass, Col Niphon said Phnom Penh soldiers at the outpost were caught off-guard when Khmer Rouge guerrillas attacked the outpost from nearby terrain.

"It's hard to believe that the Khmer Rouge spent only 10 minutes to capture the outpost. They (Phnom Penh troops) knew the Khmer Rouge would try to seize the outpost some time.

They did not put up any resistance or fight back. They just ran away to the surprise of our soldiers who observed the fighting.

"We had nothing to do with the incident but it's a shame to learn that they put the blame on us for their defeat," said Col Niphon.

He added that the Khmer Rouge captured many weapons left behind at the outpost including a 12.7 mm anti-aircraft artillery.

Col Niphon ordered his forces to strengthen their bunkers in preparation for a new round of fighting across the border.

An Ma Pass outpost was under control of Phnom Penh forces since September 1993 until early last month when the Khmer Rouge succeeded in retaking it.

"We still doubt whether Phnom Penh forces had the military capability to recapture it.

"We receive reports that they are mobilising their men for a new round of fighting. They could take it if the troops have a strong determination to take it back," said Col Niphon.

He denied Thai soldiers in the area were still giving military support to the Khmer Rouge operating along the border in northern Cambodia.

"That is a baseless allegation. Army Commander Gen Wimon Wongwanit has made it quite clear on the issue. It's a pity that some group of people are still trying to distort this fact and discredit the army's image.

"What benefit and interest could we get from continually providing military support to the Khmer Rouge?" asked Col Niphon.

He said after Khmer Rouge guerrillas seized the An Ma Pass outpost from Phnom Penh forces, his soldiers were told not to make any contact with the guerrillas.

"While Phnom Penh soldiers were in charge of the base our soldiers chatted with them but we are not talking to the Khmer Rouge now," said the colonel.

Karen Refugees Refusing Resettlement Face Arrest BK0708065095 Bangkok BANGKOK POST in English 7 Aug 95 p 6

[FBIS Transcribed Text] Tak — Thai authorities will next month begin arresting more than 10,000 Karen refugees who have refused to move to two camps arranged for them by the Thai government in Tha Song Yang District.

A series of attacks on Karen refugee camps along the Thai-Burmese border by the Democratic Karen Buddhist Army (DKBA) earlier this year prompted the Thai authorities to set up Mae La and Sho Klo camps in Tha Song Yang District, to ensure security as well as for better control of refugees.

So far 20,173 Karen refugees have moved to Mae La camp and 8,879 in Sho Klo camp. They are from Huay Ma Noke, Kamaw Lay Kho, Mae Salit, Nongbua and Kler Kho camps.

About 10,000 refugees living at Mae Woei, Mae Pho Hta and Kaw Theelu camps and nearby mountainous areas have refused to be resettled at the two "safe camps".

The Karen Refugee Committee (KRC) and Thai authorities yesterday met at Sho Klo camp and agreed that the refugees who refuse to move into the two camps will be arrested starting from next month.

At the same time, non-governmental organisations have declared they will not provide any assistance to the refugees outside the two camps.

Those arrested will be given two choices — to go into the camps or to be sent back to Burma. If they did not select either option, they will face legal action for illegal entry which would mean both a jail term and a fine.

KRC vice-chairman Valles said the KRC will today again warn the refugees outside Mae La and Sho Klo camps to make a decision. Those who want to enter the camps will be provided with transportation he said.

Mr Valles said some of these refugees want to return home because they fear being attacked again by the DKBA if they remain in Thailand.

Rangoon Offensive on Khun Sa Detailed

BK0808092095 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 8 Aug 95 p 1

[FBIS Transcribed Text] Chiang Rai — The State Law and Order Restoration Council [SLORC] has been massing troops along the Thai-Burmese border from Mae Hong Son to Chiang Rai in what is described as an all-out attempt to crush the forces of drug warlord Khun Sa by the end of the year.

The first hint of a large-scale war against Khun Sa came from Lt-Gen [Lieutenant General] Khin Nyunt, SLORC's strongman, when he announced that the drug baron's strongholds would be the next target after the defeat of the Karen National Union [KNU] early this year. He said Burma's 200,000 troops would be mobilised to crush Khun Sa's Mong Tai Army [MTA].

Although Khin Nyunt had exaggerated the number of troops to be put on the warpath, about 10,000 troops have been committed for the operation.

Well-informed sources said at least 10 battalions or about 4,000 Burmese infantry have since June crossed the Salween River to face the Karenni National Progressive Party's [KNPP] stronghold, opposite Ban Nai Soi village in Muang district of Mac Hong Son.

The troops were sent there under the pretext of settling a logging row with the KNPP. But one of Khun Sa's close aides told Inside Indochina that SLORC troops intended to secure safe passage through the KNPP's area to attack Ho Mong township. Khun Sa's headquarters.

About 90 per cent of the KNPP's territory has fallen to SLORC.

On another front at Doi Pha Daeng Luang, another Khun Sa stronghold, only 30 kilometres south from Tachilek in Burma another 4,000 Burmese soldiers have been engaged in a protracted battle with the MTA since March. This is the second attempt to break Khun Sa's defence after a humiliating defeat last November.

About 2,000 Burmese troops have also been massing at Ban Doi Lang, opposite Mae Ai district, Chiang Mai, which is under the control of the United Wa State Army (UWSA).

The UWSA, which is made up of former members of the Burmese Communist Party [BCP], surrendered to the junta in 1993 and has since been allowed to remain in the BCP's territory to guard against the MTA. However, there is no sign whether the UWSA will join the SLORC in the battle against the MTA.

Observers said SLORC chose to launch an offensive now because it felt Khun Sa's military power had been weakened and he also had been plagued with internal rebellion.

Maj [Major] Karnyord, deputy commander of the 16th Brigade, recently broke ranks from the MTA with 500 men to form his own independent army.

Karnyord, a young turk in the MTA, reportedly quit the army because of "discrimination" in the ranks, the MTA's deviation from the state's struggle for independence, and its infamous drug-dealing image.

Zao Gunjade, chairman of the Shan State National Congress (SSNC) believed Karnyord's split was instigated by the SLORC which noted the Shan resistance would not be able to get any outside help as long as it is associated with Khun Sa.

Analysts said Karnyord's defection was the result of the same trick employed by the SLORC which led to the Democratic Kayin Buddhist Organisation's [DKBO] breaking away from the KNU. The defection of the Karen Buddhists, from the mostly Christian Karens, caused the eventual fall of the KNU's Manerplaw and Kawmura strongholds this year.

"The DKBO was supposed to inform the SLORC of all it knew about the KNU, both its weak and strong points. Karnyord will likely do the same about the MTA," they said.

The recent speculation that Khun Sa may soon be forced to step down as head of the MTA indicates some serious internal problem.

Several leaders in the Shan State National Congress [SSNC] have begun to feel that Khun Sa's notoriety as a drug warlord is an obstacle to their tasks.

The SSNC is to hold a meeting to determine Khun Sa's fate. No dates have been fixed but Gunjade, a much-respected congressman and a veteran army leader who is tipped to succeed Khun Sa, told Inside Indochina the meeting is due to be held before the end of October.

Military and political objectives aside, economic reasons have played a role in prompting the SLORC to launch all-out war against the MTA.

A border source said the rich natural resources in the Shan State, as well as numerous heroin refineries under the control of the Wa and Khun Sa, could bring in millions of dollars for cash-strapped Burma.

A potential site for a 5,000-megawatt hydro dam on the Salween River is in Khun Sa's territory, opposite Wiang Haeng sub-district, Chiang Mai.

In Loikaw, the Karenni State's capital, a Thai company has proposed an inland site for the Salween dam. A recent trip to the site organised by the state-owned Myanmar Electric Power Enterprise was cancelled owing to security problems, a delegation member said.

A Thai-Burmese border observer said SLORC had prepared its plans well in advance. He said that in the past two years, the SLORC had sent intelligence units into Thai-Burmese border provinces to learn about the MTA's movements.

"They did a good job in identifying Khun Sa's safe houses," he said.

But Thai authorities had trouble taking action against the occupants of the safe houses, who hold Thai identification cards.

The Burmese military junta has spent millions of kyats to build roads and bridges over the Salween River toward Shan State.

A Thai logging company, Thai-Sawat, has been granted a contract to build a road not far from the state's capital, Taunggyi, in exchange for 2,000 tons of logs.

Infrastructure in sensitive areas such as Keng Tung province and nearby has been completed while that south of Shan State from Taunggyi to Mawkmai and Namsang-Mong Nai-Mawkmai to meet Ta-sobteng bridge over the Salween River, is due to be completed this year.

"This means Burmese troops are getting closer to our Ho Mong headquarters," an MTA officer conceded.

SLORC's cabinet reshuffle in mid-June saw Maj-Gen Tin Htut appointed commander of the Eastern Command, replacing Maj-Gen Saw Tun, who was promoted to Construction Minister Maj-Gen Tin Htut from the 33d Division was said to be under the direct command of Gen. Maung Aye, SLORC's vice-chairman and the former eastern force commander.

A Thai observer predicted that Khun Sa's strongholds would fall by the end of this year.

According to Gen. Zang Zhi Chen of the MTA, Burmese troops recently received 5,000 mortar shells from a neighbouring country, apparently China. Observers doubted whether it was a coincidence that Chinese Defence Minister Gen. Chi Haotian paid an official visit to Rangoon early in July.

Khun Sa is having problems with logistical supplies. His supply lines, including Ban Mai checkpoint, which was a major passage for rice, medicine and clothes, have been cut since July last year, affecting both the MTA and Shan people.

Ban Mai, the opposite site of the stronghold, 45 kilometres north of Mae Hong Son province was closed as a result of the Thai Government's tightening of security. MTA sources also said the SLORC tried to close another 30 checkpoints along border on its side to prevent supplies crossing from Thailand.

Khun Sa's close aide said the MTA could remain strong until next year and would be ready for any offensive.

The SSNC sources said they would conduct a political offensive to arouse nationalistic sentiment among the Shan to fight for independence.

"The more they (Shan people) are oppressed, the faster they will join us. The SLORC only builds roads and bridges, but we help our people farm their land, repair their houses and give first aid. This way, they inform us about the SLORC army's movements while understanding better our goal in fighting for independence," one member said.

Muslim Separatists Urge Government To Hold Talks

BK0808042295 Bangkok BANGKOK POST in English 8 Aug 95 pp 1,8

[FBIS Transcribed Text] Narathiwat — The separatist PULO [Pattani United Liberation Organization] movement has reportedly written to Prime Minister Banhan Sinlapa-acha, urging him to resume talks aimed at peacefully settling separatist problems in the Muslimdominated southernmost provinces or face more trouble.

A letter, purportedly written by Pattani United Liberation Organisation chairman Tuanku Bilor Kortor Nilor was found next to a homemade bomb planted near the provincial education office some 200 metres from the provincial hall, early yesterday morning, a senior southern police officer said.

The letter said there would be no peace in the region if the Government did not resume talks, suspended in late 1992 with the separatist movement.

The talks were initiated by former Fourth Army commander Gen. [General] Kitti Rattanachaya, who sent his representatives to negotiate with PULO representatives in Egypt and Syria.

Pol Lt-Gen [Police Lieutenant General] Michai Nukunkit, commander of the 9th Police Region who is responsible for law and order in the four southernmost provinces, said the bomb was timed for explosion at 5.15 a.m.

However, the device failed to explode after its clock stopped at 2.00 a.m.

Narathiwat Governor Sawat Kritratchatanan doubted the PULO was responsible for the planting of the bomb and the letter.

However, an intelligence official said he was confident the letter was genuine because of the PULO's emblem at the top of the paper it was written.

"Looking at the paper and its content, I'm quite confident it belongs to the organisation," said the official who is well-informed about separatist movements which have been plaguing the southernmost region for decades.

The letter blamed tensions in the South on locallybased officials from the Interior, Defence and Education ministries who failed to show respect for Muslim traditions and culture.

The letter praised His Majesty the King for his benevolence and kindness shown to local Muslims. This, the letter said, helped maintain peace and order in the region. The letter asked Prime Minister Banhan to support another round of talks aimed at removing obstacles to permanent peace in the southern region.

The intelligence official said he was pessimistic about the chance of fresh talks in the near future, but added that many proposals made by the PULO during the last two rounds of meeting were "totally unacceptable".

"If they do not soften their rigid stance, there is no reason for another round of talks because it will lead nowhere," the official said.

Chuan Likphai Named Opposition Leader

BK0808092695 Bangkok Radio Thailand Network in Thai 0530 GMT 8 Aug 95

["Announcement on the Appointment of the Opposition Leader in the House of Representatives" by King Phumiphon Adunyadet dated 4 August; place not given]

[FBIS Translated Text] Royal Signature: Phumiphon Adunyadet, Rex.

Whereas Prime Minister Banhan Sinlapa-acha and the cabinet officially assumed responsibility for national administration after the presentation of a policy statement to parliament on 26 July 1995, the king deems that Chuan Likphai, leader of the Democrat Party, possesses the qualifications required by Article 122 of the 1995 fifth amended Constitution of the Kingdom of Thailand and is suitable for the post of opposition leader in the House of Representatives. The king, therefore, graciously appoints Chuan Likphai as opposition leader in the House of Representatives from this moment onward.

Announced on 4 August 1995, the 50th year of the present reign.

Countersigned: Bun-ua Prasoetsuwan, speaker of the House of Representatives.

Defense Minister To Review Army Reshuffle List

BK0708020995 Bangkok THE SUNDAY POST in English 6 Aug 95 pp 1, 3

[FBIS Transcribed Text] Deputy Prime Minister and Defence Minister Chawalit Yongchaiyut is likely to review this year's military reshuffle proposal to prevent the promotion of a senior Army officer who ordered the crackdown on pro-democracy demonstrators in May 1992.

Gen Chawalit decided to step in following mounting speculation and criticism that Gen Chainarong Nunphakdi may be promoted to assistant Army commanderin-chief in the annual reshuffle expected to be announced soon, according to sources close to the New Aspiration Party leader.

Gen Chainarong is widely tipped to be promoted along with Gen Narunat Kampanatsaenyakon, an Army adviser.

The name of Gen Chainarong is said to have replaced that of another Army adviser, Gen Thawan Sawaengphan, at the last minute and this has stirred up dissatisfaction in certain Army quarters, the sources said.

Gen Chainarong, a member of the Chunlachomklao Military Academy Class 11, became director of the Institute of Army Academics after leading his troops in the crackdown on prodemocracy demonstrators in May 1992.

He was brought back to the command line by Army Commander-in-Chief Gen Wimon Wongwanit who appointed him deputy chief-of-staff in the reshuffle last September before again making him chief of the Army Commander's staff officers to get the rank of full general during the military reshuffle last April.

Army sources said it was believed Gen Wimon might again propose the promotion of Gen Chainarong because he did not want to offend his once powerful Chunlachomklao Academy Class 5 friends, Gen Suchinda Kraprayun and Gen Itsaraphong Nunphakdi.

The two generals led a coup against the Chatchai Chunhawan government and later took administrative power which led to the demonstration in 1992 by prodemocracy movements.

Gen Chawalit's office had been flooded with telephone calls and unsigned leaflets recently criticising Gen Chainarong's rapid promotion which would make him become one of the top five four-star generals of the Army, if the speculation was true and the move was approved, the sources said.

Gen Wimon said last night on return from a visit to ASEAN countries he had completed the reshuffle proposal and had forwarded it to Supreme Commander Gen Watthanachai Wutthisiri for consideration.

The proposed reshuffle should not be the cause of any public confusion, he said, claiming its content had been kept secret among the Army board which considered it.

He would say only that he had not been lobbied by anyone to promote any specific officers on the list.

Gen Watthanachai had yet to send the military reshuffle proposal to Gen Chawalit, who was not happy about having to interfere with the Army's proposal, the sources said. "Why do I always have to handle this kind of problem?" one of the sources quoted the Deputy Premier as saying.

They said, however, that Gen Chawalit was determined to consider the list by giving priority to majority interests.

The Army belongs to the people and not to any specific class or group of people," the sources quoted Gen Chawalit as saying.

Gen Chawalit said on Friday he would study the Army's proposal and would seek explanations of specific promotion requests if he had reservations.

The Defence Minister yesterday joined the Army top brass at the Chunlachomklao Academy at Khao Changok, Nakhon Nayok, to celebrate the institute's centenary.

Gen Wimon, who had been scheduled to attend the function, did not turn up because he was tied up with his trip to farewell ASEAN commanders.

Gen Wimon is due to retire at the end of next month.

Deputy Commander-in-Chief Phaibun Emphan denied Gen Wimon's absence was to demonstrate the general's dissatisfaction at Gen Chawalit's plan to interfere with his reshuffle proposal.

Gen Chawalit and Gen Wimon understood each other well and there was no problem between them, Gen Phaibun said.

The reports that the top commanders were in conflict over the reshuffle list was mere press speculation, he claimed.

Gen Phaibun described as sheer guesswork speculation that Gen Chainarong would be promoted in the reshuffle.

"Nobody knows yet who gets what. Even I do not know anything. Let's not make premature guesses.

"I am confident the commanders will ensure suitability prevails," he said.

Gen Suchinda, who was at yesterday's function at the Chunlachomklao Academy with other classmates, said when asked about Gen Chawalit's possible interference in the reshuffle:

"Chunlachomklao people will not do things that way."

Vietnam

Further on U.S. Secretary of State's Visit

BK0708151695 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Aug 95

[FBIS Translated Text] This morning, 7 August, U.S. Secretary of State Christopher, his wife, and entourage left Hanoi, concluding their official visit to Vietnam. On hand to say farewell to Secretary of State Christopher were Foreign Minister Nguyen Manh Cam, his wife, Deputy Foreign Minister Le Mai, and many high-ranking cadres of our Ministry of Foreign Affairs. James Hall, head of the U.S. Liaison Office in Vietnam, was also present at the farewell ceremony.

Before saying farewell to the U.S. delegation, Foreign Minister Nguyen Manh Cam said: The visit to Vietnam by Secretary of State Christopher marked a new stage in the relations between Vietnam and the United States. Both sides exchanged views on necessary measures to implement the statements of U.S. President Clinton and Vietnamese Prime Minister Vo Van Kiet. Foreign Minister Nguyen Manh Cam thanked Secretary of State Christopher for his positive contributions to the normalization of diplomatic ties between the two countries. He hoped that those positive contributions would continue to constantly promote Vietnamese-U.S. relations in the days ahead.

Secretary of State Christopher expressed his pleasure to visit Vietnam and tour the beautiful capital city of Hanoi. He said he was pleased with the meetings with the highest-ranking Vietnamese leaders, regarding those activities as very significant events. Secretary of State Christopher once again thanked the Vietnamese Government and people for their assistance and cooperation in settling the MIA issue. He also expressed the desire to continue to cooperate with the Vietnamese side in settling the MIA issue on a humanitarian basis. He believed that his working visit would be a starting point for better relations between the two countries in the days ahead. He thanked the Vietnamese side for according his delegation a solemn reception.

During their stay in Vietnam, Secretary of State Christopher, his wife, and entourage visited the Temple of Literature and a number of other historical and cultural relics in the capital.

Foreign Minister Comments

BK0708155895 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Aug 95

[FBIS Translated Text] Vietnamese Foreign Minister Nguyen Manh Cam held a news conference with a large group of foreign and domestic reporters at the Government Guest House this morning after seeing off U.S. Secretary of State Christopher and his wife.

Answering reporters' questions on the results of the visit to Vietnam by U.S. Secretary of State Christopher, Foreign Minister Nguyen Manh Cam said that during the visit the foreign ministers of the two countries exchanged concrete views on appointing ambassadors to their respective countries and discussed measures to accelerate economic and trade cooperation among other issues.

The U.S. side informed the Vietnamese side that the United States will send a high-level economic delegation to Vietnam in the near future to hold talks and sign a bilateral trade cooperation agreement, discuss favorable treatment for banking and investment, and discuss most favored nation status for Vietnam. This is aimed at creating favorable conditions for businessmen from the two countries to expand their activities, thereby contributing to accelerating bilateral cooperation in the mutual interest.

The two sides contended that cooperation in the economic and trade field and other domains will help develop Vietnamese-U.S. relations. This will benefit not only the two countries but also regional nations and the rest of the world, thus promoting the development trend of the current era.

Answering a foreign reporter's question on whether the slow process in granting Vietnam most favored nation status will change Vietnam's attitude toward the United States, Minister Nguyen Manh Cam said that in view of the interests of both sides, it is expected that the granting of such status to Vietnam will be resolved soon and that there will not be any preconditions. The most important thing, however, is the signing of a Vietnamese-U.S. trade cooperation agreement.

Answering a reporter's question on the MIA issue, Foreign Minister Nguyen Manh Cam said that Vietnam showed its goodwill on this problem even before the normalization of relations, considering it a humanitarian issue. Following the normalization of relations between the two nations, Vietnam will continue its efforts to resolve the MIA issue in accordance with Vietnam's humanitarian tradition. The Vietnamese foreign minister said the U.S. side had pledged to cooperate with Vietnam to settle the issue of missing Vietnamese from the war and provide assistance for Vietnamese war invalids.

Foreign Minister Nguyen Manh Cam answered a number of questions related to Vietnamese-U.S. relations.

Russian State Duma Delegation Concludes Visit

BK0808004195 Hanoi VNA in English 1430 GMT 7 Aug 95

[FBIS Transcribed Text] Hanoi VNA Aug.7 — The visiting delegation of the Russian Duma (lower house) led by its president Aleksandr Vengerovskiy left Ho Chi Minh City this morning successfully concluding its five-day official visit to Vietnam.

While in the south, the delegation had working sessions with the directorate board of the Vietsovpetro, a joint venture between Vietnam and Russia in oil and gas industry, toured a number of places of cultural and historical interest in Ho Chi Minh City and the province of Ba Ria-Vung Tau.

Vice President Vengerovskiy, on behalf of the Russian delegation, informed their fruitful results of the Vietnam visit and noted with pleasure that the Russia-Vietnam traditional cooperative ties have entered into a new stage of development for the prosperity and interest of each country.

Ministers Attend Mekong Meeting in Cambodia

BK0508160295 Hanoi VNA in English 1449 GMT 5 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 5 — A delegation of Vietnam's national mekong committee headed by its president, minister of water resources Mr. Nguyen Canh Dinh, attended the first meeting of the Council of the Mekong River Commission (MRC) in Phnom Penh, Cambodia, on August 2 and 3.

The meeting was also attended by ministerial delegations of three other member countries of the MRC, namely Laos, Thailand and Cambodia, United Nations Development Programme (UNDP) representative in Cambodia, and the MRC secretariat.

Vietnamese deputy minister of water resources Mr. Phan Sy Ky, who is also chairman of the MRC's joint committee, presented the participants with results of the first meeting of the joint committee held in Ho Chi Minh City last June.

The meeting adopted rules of procedures for the council and the joint committee, an promoted Mr. Yasunobu Matoba, Japanese national, to the post of chief executive officer of the MRC's secretariat.

It was agreed upon that each member country has to contribute to the MRC between USD 150,000 and 160,000 in the fiscal year 1995, and that China and Myanmar [Burma] are invited to join MRC's activities. The meeting also discussed other questions such as UNDP's report on the formulation of a consultant group

of donor countries and a sub-committee to implement provisions on the utilisation of water in the Mekong basin.

National Assembly Standing Committee Meets

BK0708041495 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Aug 95

[Unattributed report: "National Assembly Standing Committee Issues Communique" — date of communique not given]

[FBIS Translated Text] The National Assembly Standing Committee met in Hanoi from 26 July-2 August 1995 under the direction of National Assembly Chairman Nong Duc Manh and in the presence of Vice President Nguyen Thi Binh.

- The committee adopted the resolution on implementing the Common Effective Preferential Tariffs (CEPT) after Vietnam becomes an official member of ASEAN and participates in the ASEAN Free Trade Area (AFTA). The committee requested the government to work out practical action program based on the timing set by CEPT for submission to the committee for consideration.
- 2. The committee gave its views on the second phase of the tax reform program aimed at implementing the national financial policy step by step to meet the socioeconomic development needs arising from the renovation undertaking, guarantee steady revenue collections for the state budget, encourage organizations and individuals belonging to all economic sectors to invest in business and production, and guarantee fair income distribution and equality among people of all walks of life and among different economic sectors. Basically, the committee concurred with the tax reform measures proposed by the government and maintained that the tax system must guarantee equality among all economic sectors and people of all walks of life while at the same time serving as an instrument to regulate revenue collections from organizations and individuals in a rational manner and assisting needy people or low income earners.

Regarding the implementation of the tax reform program, the committee requested the government to prepare documents on amending or supplementing a number of articles of the tax law as soon as possible and submit them to the upcoming eighth session of the National Assembly.

As an immediate objective, the committee gave its views on amendments to the import-export tax tables to overcome a number of irrationalities, help protect and promote local production, and increase revenue collection. Furthermore, the committee continued considering the draft law on fees and charges to restore order and discipline, closely manage the collection and use of fees and charges, and prevent major cases of negativism, waste, and losses in this domain while at the same time generating new revenue collections for the state budget.

The committee requested the Drafting Committee to coordinate with the Economic and Budget Committee and relevant agencies in continuing to perfect the draft law on fees and charges before submitting it to the committee for consideration and approval at its next session.

- 3. The committee continued to give its opinions on a number of key issues of the draft civil code that need further discussions based on the suggestions contributed by National Assembly deputies, the people, and sectors and echelons. These include civilian relations established by marriage and family links, personal relations, civilian liabilities resulting from land acquisition, forms of ownership, and inheritance. Based on the views contributed by the National Assembly Standing Committee. the Drafting Committee and relevant agencies will continue to review the draft civil code as soon as possible and send their suggestions to the National Assembly deputies, thus allowing sufficient time for research and preparatory work before the draft document can be submitted to the upcoming eighth session of the National Assembly.
- 4. After hearing a government report and an investigative report of the National Assembly Judiciary Committee on the draft law on amending or supplementing a number of articles of the law on the rights and duties of Vietnamese organizations that benefit from the state-initiated land allotment or land lease program, the committee unanimously concurred with the need to implement the resolution of the seventh session of the National Assembly, namely, efforts must be made to review existing documents and make necessary amendments and supplements to meet the pressing demands of real life in many localities.

Because this is an important and complicated issue relating to the policy on land, the committee requested the government and relevant agencies to continue to study and review the aforementioned draft law before it can be submitted to the National Assembly Standing Committee for consideration and approval at its next session.

5. The committee studied and gave its opinions on the policy toward cadres and servicemen assigned to the DCK [abbreviation unknown] battlefields during the anti-U.S. war of resistance and toward cadres and servicemen reassigned to the south by the party following the 1954 Geneva agreement. The committee maintained that this was an important issue because it involves the policy of preferential treatment for people who render meritorious services to the nation and revolution as mentioned in the order on preferential treatment for people who perform revolutionary activities, fallen combatants and their survivors, wounded or ailing soldiers, individuals who advance initiatives, and people who render meritorious services to the revolution. The committee suggested that the government continue to study and work out practical measures to correctly and effectively resolve this issue.

6. The committee heard a government report on the implementation of the law on press and publishing activities and the views of the National Assembly Culture and Children and Teenagers Education Committee on this issue. The committee welcomed the positive and important contributions to the cause of national renovation of the contingent of personnel in charge of the press and publishing activities. Nonetheless, besides strong points, the press and publishing sector still displays a number of shortcomings that need to be overcome as soon as possible. The committee requested the government to guide relevant agencies in continuing to study and work out a press and publishing master plan, as well as promulgate necessary sublaws and devote efforts to arranging and planning press and publishing activities in a rational manner and to consolidating the contingent of management cadres, correspondents, and editors, thereby contributing to encouraging personnel in charge of the press and publishing activities to make constant progress and prove themselves worthy of the confidence that the party, state, and people have put in them. The committee also requested press organs, news agencies, and publishing houses to seriously implement the law on press and publication and strictly comply with the government regulations governing these activities .

Vo Van Kiet Stresses Education for Development

BK0708073395 Hanoi VNA in English 0706 GMT 7 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 7. — Prime Minister [PM] Vo Van Kiet made an inspection tour of the central coastal provinces of Quang Nam-Danang and Thua Thien-Hue recently, calling for full usage of the local potentials for socio-economic development.

In his meeting with leading officials of Quang Nam-Danang and representatives of relevant agencies, PM Kiet stressed the role of the province, particularly in forming a key economic zone which embraces Danang-Quang Nam-Quang Ngai, in order to make it a commercial and industrial hub.

In regard to the province's socio-economic development plan, efforts must be made to achieve the targets set for 1995, the prime minister said, underscoring measures to balance the province's income and expenditures in a bid to curb inflation. Apart from maping out a master plan for tourism development, the province should invest more capital mobilized from different sources in developing the sea-food processing and ship building industries.

Meeting with authorities of Thua Thien-hue, PM Kiet called on the province to develop production, particularly goods for export, to increase the provincial GDP as well as the living standard of the local people.

Praising efforts made by Thua Thien-Hue over the past months in restructuring all economic sectors and attracting foreign investment for national industrialisation, PM Kiet urged the province to work out appropriate policies, particularly on education and training because it is seen as a driving force to obtain the socio-economic goals in the years to come.

Vo Van Kiet Urges Development of Central Coast

BK0508093895 Hanoi VNA in English 0731 GMT 5 Aug 95

[FBIS Transcribed Text] Hanoi VNA August 5— Prime Minister [P.M.] Vo Van Kiet has called for the development of the key economic zone of Da Nang-Quang Nam-Quang Ngai in order to make the central coast of Vietnam a commercial and industrial hub at a recent meeting with leading officials of the central coastal provinces of Quang Nam-Da Nang and Quang Ngai and relevant agencies, P.M Kiet said that a socioeconomic development plan for this key economic zone should be developed soon.

The Da Nang-Quang Nam-Quang Ngai area has great potentials and favourable conditions for industrial tourism development.

Participants to the meeting stressed on the significance of the development of this third key economic zone in the country, following the Hanoi-Haiphong-Quang Ninh in the north and Ho Chi Minh City-Dong Nai-Ba Ria Vung Tau in the south.

Dung Quat and Lien Chieu will have an important role to play in the forming of the Da Nang-Quang Nam-Quang Ngai area. One of the first things to do is to earry out projects on the construction of the first oil refinery and a sea port in Dung Quat, where a 4,120 hectare industrial complex will be shaped, focussing on ship building, processing industry, car assembly and consumer-goods production.

'Due attention, however, should be paid to environmental protection and the appropriate combination of economic development with national defence,' P.M Kiet stressed.

Government Urges Efforts To Curb Smuggling

BK0808092495 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 18 Jul 95 p I

[Report by H. Nguyet: "Serious Economic Cases Must Be Solved in July]

[FBIS Translated Text] On 14 Jul, the Government Office announced the prime minister's statement made at the Government Standing Committee meeting on the work to practice thrift and the fight against waste, corruption, and smuggling.

The prime minister stated: In the first six months of 1995, smuggling activities were conducted in a serious and elaborate manner. Some state enterprises and economic units of the Armed Forces have been involved in most of the smuggling cases that have heen discovered. The antismuggling work has been inefficient. The method of dealing with smuggling cases has been inadequate. The Interior Ministry, Commerce Ministry, Customs General Department, and horder troops must immediately review their fight against smuggling. They must discover individuals directly or indirectly involved in smuggling and they must deal with them strictly. The government empowers the Interior Ministry to work together with the Commerce Ministry to investigate the recent transport of rice by 222 ships. If any ship was involved in smuggling, the Interior Ministry must take legal proceedings against them and verdicts must be announced in the mass media. Apart from dealing with individuals who violate the law, we must also deal with officials who allow their subordinates to engage in smuggling or to rent and lend state property for use in smuggling. All major smuggling cases discovered since 1993 must be urgently dealt with in accordance with the law to ensure justice. For serious economic cases in Ho Chi Minh City (the cases of Hung Vuong Cold Storage, Tran Thu Hong, Tran Xuan Hoa, Legamex, Saigon Ship, and so forth), the Interior Ministry can deal with them directly. If the ministry can not solve these cases in July because of objective difficulties, it must report to the prime minister for further instructions.

Army's PGD Reviews Party Work

BK0408152895 Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Jul 95 p 2

[Article by Vu Thang]

[FBIS Translated Text] Implementing directives on 1995 party and political work by the Army Political General Department [PGD], the tasks of party organization and development in the first six months of 1995 have been carried out positively and comprehensively in all aspects. Some of the major tasks which have been well attended to by all levels were the construction, consolidation, and refinement of party organizations at the grassroots level in order to create pure and steadfast primary party chapters in parallel to strong units in which both contingents of party members and cadres are well trained.

After the two-year preliminary review of party rectification, the shortcomings of all units have been overcome through the steps of self criticism, the revelation of the causes of shortcomings, and the search for measures to rectify them. Party organizations have also focused in strengthening leadership ability and militancy spirit for cadres of grassroots level of party chapters.

On the occasion of the 65th birthday of the Communist Party of Vietnam, party organizations are taking up many activities that aim to consolidate and refine grassroots party chapters such as contests for capable party chapter secretaries, seminars and meetings on the revolutionary traditions of the party and the Army, and so forth.

At present, all units are positively carrying out Guidelines No. 477 by the PGD on new criteria for pure and steadfast grassroots party organizations to replace the previous ones. The guidelines actually helped the units create a foundation to evaluate their work and gradually enhance leadership ability and the militancy of party organizations at the grassroots in the new period.

As the tasks have been implemented thoroughly, party organizations at different levels have been strengthened, leadership ability has been improved, all full-size companies now have party chapters, and 100 percent of party committees have been provided with refresher training. Inspection in a number of military regions and military corps shows that over 60 percent of party committee secretaries are capable of fulfilling all assigned tasks, the number of cases of discipline violation by cadres and party members was reduced gradually, and many grassroots party organizations do not have party members violating discipline.

Party development tasks have also been carried out actively with good quality. For the first quarter in the regular force units alone, 3,081 party members were recruited, 55 percent higher than same period last year. In the period around the 3 February holiday alone, the Army's party organizations recruited 1,366 new party members or 52.2 percent of the total recruitment in the first quarter.

In light of the planned objectives, however, the tasks of party construction and organization still show some shortcomings. Examples of these are that the comprehensive leadership ability is still very limited, combashility on the political and ideological front is not active and sharp enough, the ability to materialize resolutions and heighten the quality of party activity still limited, the militancy quality has not mobilized strong enough in activities, and education and member management tasks lack cohesiveness. The spearhead character of party members in morality and knowledge have not been developed high enough. Party organizations are still confused in measures to attach the task of building pure and steadfast party organizations with the task of building comprehensively strong units where the two contingents of cadres and purty members develop along-

Based on the orientation and plan of 1995 party and political work, and the plan for the last six months of 1995 of the PGD, party organization work should be continued in the direction of building pure and steadfast grassroots party organizations and attaching the building of steadfast party organizations with the building of strong units so the two contingents of cadres and party members can develop alongside each other.

In order to resolutely implement the directive of the party Central Committee Military Commission and the PGD guidelines in the period to come, all party organizations should focus on the most important task of preparing well in all political, ideological, and organizational aspects for the upcoming party congresses of all levels that will lead to the national and all-Army party congresses. This is a good occasion for the development of the task of building pure and steadfast grassroots party organizations, making them the core of comprehensively strong units.

The demands of the preparation process for party congresses and the review of party renovation and rectification tasks are to create major improvement in political and ideological awareness in all party organizations and units, highlight criticism and self criticism, consolidate unity, and heighten perception on the party's renovation policy and socialist ideal. Using practical and concrete measures, party organizations should strive to build pure and steadfast grassroots party organizations alongside comprehensively strong units;

to build the contingent of party members alongside the contingent of cadres; to heighten the leadership ability of party committees and party chapters; and to enhance morality, knowledge, and combat spirit of all party members.

Lam Dong Disciplines, Expels Party Members

BK0708041395 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 4 Aug 95

[FBIS Translated Text] The party organization of Lam Dong Province recently reviewed activities of party members and party basic organizations as well as the work of various executive committees.

Through the review, the provincial party organization took disciplinary action against one party establishment and 35 party members who seriously violated party statutes.

Various echelons of party committees of the province also reviewed activities of party members and basic party organizations. To date, more than 80 percent of party members and party organizations had been reviewed. After an investigation of the people's complaints against a number of party committees and members, the provincial party organization took action against 62 party members, five of them were dismissed from offices, 15 were denied membership, and 21 were expelled from the party.

Australia

Evans Terms French Retaliatory Measures 'Bluff' BR0708122195 Paris LE FIGARO in French 5 Aug 95 p 6

[Interview with Australian Foreign Minister Gareth Evans by Charles Lambroschini; place and date not given: "Gareth Evans: 'Paris is bluffing'"]

[FBIS Translated Text] [Lambroschini] Now that France has decided to take reprisals, do you not fear that Australia could also suffer a great deal in this little game?

[Evans] It is definitely not Australia that will suffer most. What is on the line today is French credibility. If your country wants to salvage its international reputation, then it has not gone about doing so in the best way by taking things out on the messenger. France would do better to listen to the message. To stop the protests, all Paris has to do is halt its nuclear tests.

"We Are Not Afraid of Beijing"

[Lambroschini] You cannot deny that the retaliatory measures planned by France will harm your exports.

[Evans] There is a great element of bluff in this announcement. Where purchases of Australian uranium are concerned, the approach taken by Paris is utterly cynical. By talking of abandoning a contract worth 276 million francs [Fr] the French are seeking to pocket a saving of a little more than Fr100 million by turning to a world market where the price of uranium is considerably lower. As for the coal, the impact on Australia will not be very substantial. We are the leading exporter of coal in the world, selling 132 million tonnes per annum, whereas our sales of coal to France barely amount to 2.8 million tonnes. However, the most astonishing thing was to hear your government say that EDF [the French Electricity Company] is going to abandon an investment project in Australia, which is suddenly no longer being viewed as profitable. Yet there is bound to be no shortage of foreign companies to step into the gap left by EDF.

[Lambroschini] Why are you more indulgent with China, which is continuing its tests, than with France, which has not yet even resumed its own?

[Evans] The terms of our official protests have been equally harsh in both cases. However, I would like to point out that the context underlying the Chinese tests is different. First, unlike Paris, Beijing never went along with the moratorium. So there has been no step backward, unlike with President Chirac's decision. Second, unlike what is happening at Mururoa, the Chinese tests have not taken place in a maritime

environment where there is a fragile ecological balance, but on dry land. Third, the Chinese are exploding all their bombs within the confines of their own national territory. France refuses to do so, a fact which is merely fueling suspicions about the safety of the French tests.

[Lambroschini] Might a fear of the Chinese Government in Beijing not be a better explanation for the timid response by the Australian Government in Canberra? Not being a democracy, China's reactions could be much more dangerous. Moreover, China could restrict access to the vast Chinese market for Australian companies.

[Evans] Australia is not afraid of Beijing. China is a neighbor and a friend, although we have never hesitated to express our disagreement with it. At a meeting of the Pacific Forum in Brunei, I led the debate against the Chinese nuclear tests in the presence of the Chinese foreign minister. Nor does our desire to conquer parts of the Chinese market prevent us from criticizing Beijing's policy on human rights.

[Lambroschini] Jacques Chirac has emphasized that the Mururoa tests will be the final ones and that France has definitely decided to sign the nuclear test ban treaty next year.

[Evans] It is this very fact, which is strengthening the feeling, both in Australia and elsewhere, that France is a traitor to the cause. The negotiation in Geneva of a nuclear test ban treaty has been rendered more difficult by the anger aroused against the nuclear powers among the general public. We are convinced that these tests would be a waste of time because France could have acquired the necessary simulation technologies from the United States.

"Friendship and Competition"

[Lambroschini] Government spokesman Francois Baroin is accusing Australia of using nuclear tests as an alibi to force France out of the Pacific. What is your response to this?

[Evans] I categorically reject this interpretation of events. France is playing a very positive role in the Pacific, especially in the area of development aid. The neighborly relations between Australia and the French territories in the Pacific are excellent. The disagreement dating back to the time of the troubles in New Caledonia is a thing of the past. The agreement reached since then between Paris and the population of the island has swept away the element that concerned us — namely, a risk of the whole region becoming destabilized. The same applies to Polynesia. We are well aware that barely 15 percent of the population is in favor of independence. So we have no reason whatsoever to lecture France

on morals by preaching in favor of independence. Mr. Baroin is using a bugbear to divert attention away from the subject that should constitute the focus of the real debate. If public opinion — in Australia or elsewhere — is so hostile, then there is a very simple reason for this — namely, that the decision made by President Chirac is a bad decision.

[Lambroschini] Do you consider France to be a colonial power in the Pacific?

[Evans] I have never used this kind of vocabulary. Technically it is correct to underline the situation of New Caledonia's or Polynesia's dependence on France, for these are overseas territories, not departments. However, whether this relationship is colonial or not is none of our business. Rather, these are matters for discussion between France, on the one hand, and New Caledonia and Polynesia, on the other.

[Lambroschini] A large number of French leaders also suspect you of seeking to chase France out of Asia, and more specifically out of the Indochinese peninsula. They reproach you for having done everything within your power to undermine French influence in Cambodia when Paris was pushing the United Nations to establish electoral consultation in Spring 1993. They also accuse you of seeking to force French companies out of the Vietnamese market using highly cavalier methods.

[Evans] Regarding Cambodia, I would like to issue the strongest possible denial to these accusations. Australia's cooperation with France has been total. Jean-David Levitte, who was the French Foreign Ministry's director of Asian affairs at the time, and is today President Chirac's diplomatic adviser, could confirm Canberra's good faith. In Vietnam, it is true that Australian companies are competing with French firms. However, we are aggressive rivals for everyone everywhere, including vis-a-vis Great Britain or the United States. Australia is perfectly capable of reconciling friendship and competitiveness.

To Continue Campaign Against Tests

BK0608084095 Melbourne Radio Australia in English 0515 GMT 6 Aug 95

[FBIS Transcribed Text] Foreign Minister Gareth Evans says Australia will pursue its campaign against the French nuclear tests until plans for the blast are scrapped. Commenting on a report that a number of tests could be cut from eight to seven, the minister said he was not going to rest on the issue until he reduced the number of tests to zero.

Reports on Suit Against France on Nuclear Tests

Australia May Back Suit

BK0808073695 Melbourne Radio Australia in English 0500 GMT 8 Aug 95

[FBIS Transcribed Text] The New Zealand's Government is preparing the details of its case to take France to the world court to stop further nuclear testing in the South Pacific. South Pacific Correspondent Erina Reddan reports the decision was made after consultation with all seven political parties.

[Begin Reddan recording] Prime Minister Jim Bolger made the announcement after meeting with most opposition leaders. He says New Zealand is in a unique position to challenge France in International Court of Justice [ICJ] because it was party to the case against French atmospheric tests in 1973-74. The case was dismissed when France transferred its tests underground. France has since withdrawn its recognition of the court's jurisdiction. However, New Zealand is set to reopen the earlier case and ask the court to put an interim junction on the test. Some New Zealand officials are worried that France will retaliate economically. [end recording]

[Hong Kong AFP in English at 0245 GMT on 8 Aug 95 in a Sydney datelined report, adds the following: "Australia on Tuesday welcomed a decision by New Zealand to take France to the International Court of Justice to seek an interim order against the resumption of nuclear testing in the Pacific.

"A spokesman for Prime Minister Paul Keating said a decision by New Zealand to attempt to reopen a 1973 case would not affect Canberra's plans to make an oral submission condemning the tests at a separate hearing before the court into the legality of nuclear weapons.

"'We welcome New Zealand's decision and encourage them in their actions and we're taking the actions open to us," Keating said through the spokesman."]

Evans To Consider Issue

LD0808085895 Melbourne Radio Austraiia in English 0800 GMT 8 Aug 95

[FBIS Transcribed Excerpt] The Australian Government says it will likely join New Zealand in taking France to the International Court of Justice over its planned resumption of nuclear testing in the South Pacific. Foreign Minister Gareth Evans says Australia will consider the legal issues involved before confirming its intervention. [passage omitted]

Senator Evans says there is little prospect of Australia reopening its own 1973 case against atmospheric testing

and there is no credible avenue for starting a new action. Senator Evans says New Zealand's case was framed more generally than Australia's and it may have a better chance of success. Senator Evans says there are still formidable procedural and substantive hurdles to any action in the world court, but Australia is happy to support the New Zealand initiative in any way it usefully can.

Reports on Blocking French Helicopter Sale Bid

State To Seek Legal Advice

BK0708055795 Hong Kong AFP in English 0328 GMT 7 Aug 95

[Report by Jack Taylor]

[FBIS Transcribed Text] SYDNEY, Aug 7 (AFP) — France was facing the loss of another government contract Monday as an Australian state government sought legal advice on how to block a bid by a French company without causing problems for itself, officials said here.

The French-backed Eurocopter company was reported to be one of five bidders when tenders closed on July 21 for the supply of three helicopters worth about 4.5 million dollars (4.5 million US) to re-equip the state police air wing.

The New South Wales state Labor government intends to block the French bid — if it can do so without causing legal problems or problems for Australian workers — as a protest against French plans to resume nuclear testing in the South Pacific.

France has recalled its ambassador and threatened to cancel coal and uranium imports from Australia following Canberra's decision last week to bar Dassault-Breguet from a defence contract worth more than 600 million dollars (450 million US).

Australian defence minister Robert Ray, announced the ban on Dassault amid mounting pressure for a tougher response to the planned resumption of nuclear testing, calling on state governments to follow Canberra's lead.

Eurocopter, 60 percent owned by the French government-run Aerospatiale Corporation and 40 percent by Germany's Daimler Benz Corporation, is one of the world's largest manufacturers of civil and military helicopters with an annual turnover of 3.5 billion dollars.

A spokeswoman for New South Wales Premier Bob Carr told AFP that he was seeking legal advice on how Eurocopter could be excluded from consideration. The result of his inquiries will be known on Tuesday. Last week Carr ordered a list of financial links between the state government and French business to see if there were opportunities for action similar to that taken by Canberra against Dassault.

"This is the only French tender under consideration at the moment," the spokeswoman said, adding that the government would not act until it knew whether there were legal impediments to interfering in this tender process.

The other bidders to supply the police helicopters were not known to the government which consciously stays out of such tendering processes.

Opposition leader Peter Collins said there were no obstacles to the state government following Canberra's lead by blocking the bid by Eurocopter and called on the state government to do so.

The government of the neighbouring state of Victoria was expected later Monday to approve the winning bid for the state's first privatised electricity utility from which a French bid was withdrawn last week.

A consortium which includes the French-government power utility Electricitie de France (EDF) was withdrawn at the last minute on the orders of Paris in retaliation for Australia's actions.

A US company, Utilicorp of Kansas is believed to be the frontrunner for the Victorian power utility, known as United Energy and tipped to be sold for about 1.35 billion dollars (1.0 billion US).

However, the National Mutual Life Association of Australasia Ltd said last week it was confident policyholders would approve a 800 million US dollar deal with French insurer AXA S.A. despite the deterioration in Franco-Australian relations.

National Mutual policyholders will vote Tuesday on selling a 51 percent stake in the group to AXA for 1.1 billion Australian dollars (814 million US).

To Unleash 'Economic Warfare'

BK0708110995 Hong Kong AFP in English 1040 GMT 7 Aug 95

[By Jack Taylor]

[FBIS Transcribed Text] Sydney, Aug 7 (AFP) — An Australian state premier stepped up pressure on France — and on the Australian Government — by announcing Monday he was prepared to unleash "economic warfare with France" by cancelling a French bid on a helicopter contract.

But New South Wales [NSW] Premier Bob Carr told reporters here he had to be sure the action was what Canberra wanted and that it was prepared to back his government financially if there were claims for damages by the Franco-German aviation company Eurocopter.

The threat follows a decision by the Australian government last week to bar the French aviation company Dassault-Breguet from a defence contract worth more than 600 million dollars (450 million US).

Announcing the ban, Defence Minister Robert Ray challenged Australia's six state governments to follow Canberra's lead to protest the resumption of French nuclear tests in the Pacific.

France, which had recalled its ambassador to Australia, retaliated by threatening to cancel contracts for Australian coal and uranium and withdrawing a bid by its electricity utility, Electricite de France (EDF), for a privatised power utility in the eastern state of Victoria.

Eurocopter, 60 percent owned by the French government-backed Aerospatiale Corporation and 40 percent by Germany's Daimler Benz Corporation, was one of five bidders to supply three helicopters worth about 4.5 million dollars (3.3 million US) for the police air wing.

It was believed to be the front-runner ahead of an Australian manufacturer, Helitech Industries, when tenders closed on July 21.

The New Zealand Navy has already frozen an order for six helicopters for which Eurocopter was also believed to be a leading contender.

Carr told journalists any intervention by the state in the tender process would amount to an official declaration of economic war against the French.

He said he had received preliminary legal advice that the company's elimination would leave the state's taxpayers facing a sizeable compensation payment.

"We're happy to open economic warfare between Australia and France by cancelling what is in overall terms a relatively modest contract, but I want to know that that is in fact the position sought by the Australian government," he added.

"For the New South Wales government to broaden Australian protests to the point where we're now taking account of economic sanctions would be to invite large scale French retaliation, it would open economic warfare between Australia and France," he said.

He said he was prepared "to take the strongest action" against France if he had the support of the Australian government.

State opposition leader Peter Collins had earlier challenged Carr to rule Eurocopter out of the running, arguing it would be "completely inconsistent" to do less, a week after Canberra had ruled out Dassault.

The state government of neighbouring Victoria announced Monday that it had sold the electricity utility for which a bid by Electricite de France was withdrawn last week.

Power Partnership, a consortium led by the US company Utilicorp and including Australia's AMP Society insurance group and the New South Wales superannuation board, won the tender with a bid of 1.8 billion dollars (1.3 billion US) — around 500 million dollars above expectations.

In New Zealand, a fourth boat left Monday to join an 18-strong flotilla to Mururoa atoll, where France plans to conduct eight nuclear tests over the next nine months despite international condemnation.

'Unlikely' To Proceed With Move

BK0808102495 Hong Kong AFP in English 1007 GMT 8 Aug 95

[FBIS Transcribed Text] Sydney, June 8 (AFP) — An Australian state government which threatened Monday to cancel a French bid for a government contract is unlikely to go ahead with the protest on advice from the national government, state government sources said Tuesday.

New South Wales Premier Bob Carr wrote to Foreign Minister Gareth Evans advising he was considering excluding Franco-German aviation company Eurocopter from a tender to supply three police helicopters in protest against French plans to resume nuclear testing in the Pacific.

Carr warned that he was prepared to unleash "economic warfare with France" if he was sure that was what Canberra wanted and that it was prepared to back his government financially if there were damages claims.

His threat followed Canberra's decision last week to bar French aviation company Dassault-Breguet from a defence contract worth more than 600 million dollars (450 million US) and a call to the state governments to follow Canberra's lead.

He also said that although his instincts were to act decisively over the Eurocopter bid, he would not act against the wishes of the Commonwealth.

However, in a letter faxed to Carr Tuesday Evans said any move to introduce economic sanctions would only damage Australia's interests and that Canberra had so far confined retaliatory action to diplomatic and defence spheres. "The action you are considering... is unlikely to be in the best longer term interests of the Australian and New South Wales economies," Evans wrote in the letter.

Evans said action by New South Wales raised the possibility of damages liabilities for the state government and made it clear Canberra would not provide financial support if the state was left facing a compensation payment.

Comment was not immediately available from Carr, but Australian Associated Press quoted other government sources as saying it was "unlikely" New South Wales would take any action that would escalate a risk of economic sanctions against Australia.

Official Views Minister's Anti-French Actions

LD0508103295 Melbourne Radio Australia in English 0900 GMT 5 Aug 95

[FBIS Transcribed Excerpt] The premier of the Australian state of Victoria, Jeff Kennet, has accused Defense Minister Robert Ray of putting a lot of Australian commerce at risk by banning a French company from bidding for a major contract. [passage omitted]

In retaliation Paris ordered a French government authority, EDF, to withdraw from the bidding for a major electricity company being privatized in Victoria. Mr. Kennet said Australian businesses would pay the highest price if the federal government continued with moves similar to what he called the irresponsible actions of Senator Ray:

[Begin Kennet recording] I think Robert Ray has probably put a lot of Australian commerce at risk and I think his decision was ill-founded, it was all motivated by short-term politics but not long-term responsibilities. But the EDF decision was fundamentally a result of Robert Ray playing Rambo. [end recording]

Marshall Islands

Islanders Plea to U.S. for Compensation Noted

LD0508104295 Melbourne Radio Australia in English 0900 GMT 5 Aug 95

[FBIS Transcribed Text] Islanders from Enewetak in the Marshall Islands have made an impassioned appeal for compensation from the American government for problems caused by nuclear testing in the 1940s and 50s. They have put their case to the nuclear claims tribunal, an independent panel that is paying out compensation for personal injury claims and land damages from nuclear testing. It has 45 million dollars from the United States to disperse. But tribunal officials have repeatedly said the money is not adequate to meet all the claims. The Enewetak islanders say five of their islands were completely or partially vaporized by the nuclear tests. The remaining islands were heavily contaminated with radioactivity. Despite an American clean-up in the 1970s Enewetak people have only been able to resettle four islands in the southern portion of the atoll. They say they want compensation for loss of use of the land at fair rental value.

New Zealand

Suit Filed Against France on Nuclear Tests

BK0808031495 Hong Kong AFP in English 0238 GMT 8 Aug 95

[FBIS Transcribed Text] WELLINGTON, Aug 8 (AFP)

— New Zealand will go to the International Court of
Justice in a bid to halt planned French nuclear tests,
Prime Minister Jim Bolger said Tuesday.

Speaking after meeting leaders of the main political parties Bolger said the government's advice had been that the court case was "not a strong one", but the leaders had decided New Zealand should take every opportunity it could to oppose the tests.

Bolger said the government's support of the case did not indicate it had bowed to pressure from opposition parties. Both opposition Labour and Alliance parties have argued strongly for the case, while the government's public stance has in the past been guarded.

Bolger said the case would reopen New Zealand's 1973 World Court case over French atmospheric nuclear tests.

France had since rejected the court's jurisdiction, meaning action could only be taken by reopening an old case, making New Zealand the only country that could take this action.

The case would assist the growing international opposition to the tests, Bolger said.

Labour leader Helen Clark said it was worth taking up the case even if there was a prospect of losing.

"It's a wonderful decision," she said. "If we lose it would be because international law is not well enough developed in this area yet."

Meanwhile a major New Zealand retail group today put its considerable weight behind French nuclear tests protest action,

The Warehouse Group, a top-40 company in New Zealand, said it is putting a halt to the buying of almost all French products.

"Buyers travelling to Europe later this month will not be visiting France and it is intended that no more French product will be bought by The Warehouse until the nuclear issue is resolved," the company said in a statement.

It said the company calculated that its turnover in French goods is "insignificant" — less that an a quarter of one percent.

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